

RICK MERCER: Showing No Mercy • GLOBAL ECONOMY: Fears of Recession

CANADA'S

WEEKLY NEWSMAGAZINE

Maclean's

OCTOBER 12, 1998

Planning Your Estate



- ◆ How to handle inheritances
- ◆ Avoiding family feuds
- ◆ The baby boomers confront their mortality

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From The Editor

Fears about the R-word

The R-word is back in circulation. And one of the people pushing it there is Lance Levy, one of America's wealthiest money managers, an excellent collector of the leveraged buyout and a trustee of the Openheimer Fund (assets of \$80 billion U.S.). In an interview for *The New York Review of Books*, the journal of the left-liberal establishment, Levy was asked if a U.S. recession was possible this year: "More than possible. I think it is likely. And it could occur within six months."

His argument is time and again, "The U.S. economy is vulnerable, and there are some fears." His fear is that the overvalued Asian nations, and now those in South America, may begin dumping American products. With the United States already facing trade imbalances, corporate profits drop further. Stock market prices tumble and productivity. The buying spree that has buoyed the American economy comes to an end.

As Levy says, "The man who is building the largest house in the Hamptons may have sold out thousands of his suddenly loses \$10 million in the stock market. The same will be true for the average investor. He may not buy a car, or eat out in cafes, or spend as much at Christmas."

Levy bases his analysis on what he sees around him. Japan, Malaysia, Thailand, Korea have all been crowded off the market. All are now down or down to a crawl. Indonesia, much of it financed by big banks. Now, the country is finishing a decade of all of those hotels, office towers, computers and cell phones. The connection to America? "They stop buying our exports," says Levy.

People also get greedy. They start to use leveraged accounting practices or fancy deals, such as the one that sold the multibillion-dollar Long-Term Capital hedge fund in New York City (page 42).



New York broker: stock market jitters

he is concerned that a loss of revenue may make it impossible for the government to honor commitments on health care and paying down the debt. The conventional wisdom among his opponents is that Martin should use the extra cash to cut taxes, or roll back ER provisions. But the finance minister also may secretly share Levy's apprehensions about the R-word. He may not subscribe to it, but even Levy says, "Money is just made in the light"—that is to say, people do not stay rich following conventional wisdom.

Robert Lewis

Newsroom Notes:

The boom in estate planning

The subject of wills and estates offers a simple material for an enterprising reporter. "Just about everyone has a story," says Senior Editor Barbara Wickens, who wrote the opening piece in this week's cover package (page 46). "Some have happy

tales, such as weaving unexpected bequests from distant relatives. Most, sadly, do not. All too often, a death in the family seems to lead to dissonance and bitterness among the survivors."

The best way to avoid such problems, say the experts interviewed for the cover package, is for families to talk things over before the



Wickens' advice

need arises. But their advice often falls into the category of "Do as I say, not as I do." Although the experts claimed that they and other family members had proper estate plans in place, when they found it awkward or difficult to discuss their plans with their own loved ones. The package was edited by Assistant Managing Editor Ross Laver and designed by Associate Art Director Giselle Sabatino, with cover design by Art Director Nick Burnard.

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DANIEL SHERMAN

Hillary and Bill Clinton: cavalier attitude to betrayal?

Clinton's human side

I don't help but feel that I am missing out on the seemingly natural trend of being antipathetic to my spouse and experiencing only a "twinge" of guilt about the infidelity ("Sex and lies," Cover, Sept. 28). I would not expect—or want!—Madison to examine the issue in moralistic terms, but I am surprised at the cavalier tone I sensed at what is perhaps the greatest betrayal in human relations.

Howard Kymry
Pittsford, N.Y.

We've heard plenty about sex and lies, how about equal space for faithfulness and loyalty to marital partners?

Margaret Pitkow,
Orlando, Fla.

The continuing support for Clinton is not about job performance, sympathy for the Clinton family, a willingness to forgive and forget, or suppression of righteous conspiracy. It's about Big Brother. People all over

the world are astonished that the President of the United States could have the most intimate details of his life laid bare for all to see, and they rightly wonder how much less difficult it would be for the anonymous clerks of government and their accomplices in the media to do the same to any ordinary man or woman. Whether politicians and the media see Clinton only as the President, the ordinary citizen more easily relates to him as a fellow human, with all the attendant frailties and vulnerabilities. I predict that over the next few American elections, the Republicans who have propelled this crisis will suffer a fate similar to the one handed the McKinley Conservatives by a population outraged over a government devoid of respect for its citizens.

David A. Luperone
Port Perry, Ont.

In "Defiling sacred premises," David Sherman states: "But for the American political establishment and for a chunk of the American public, what the President did with Monica Lewinsky is an office where Abraham Lincoln struggled to save the Union, where Theodore Roosevelt captured an great national power for a country that barely had a navy, where Franklin Roosevelt inspired the nation first to have the faith to save capitalism and then to join the crusade to save democracy, was nothing short of unforgivable." The current Oval Office was built during Franklin Roosevelt's administration (1903-1945). Therefore, it is impossible for Abraham Lincoln (1808-1860) or Theodore Roosevelt (1858-1900) to have used it. During the Wilson-Taft administration (1897-1913), an oval office was built in the West Wing. However, it is not the Oval Office depicted in *Scandal*'s article, and again it was built after Abraham Lincoln and Theodore Roosevelt were in office.

Robert Lebowitz
Jeffersonville, Va.

I was absolutely astounded to read Diane Francis's column in which she concludes that "The U.S. President is a 'very drunk' (Kobene, Sept. 28), a term she defines as 'someone who does not alone reflect, but embodies all the negative characteristics of an alcoholic.' I wonder what part of her journalistic background has given her the expertise to make such a definite diagnosis. More specifically, I fail to understand how one could condemn Bill Clinton as being

Technology's children

Thank you for examining secrecy concerning children of sperm donors ("The children of sperm donors," Health, Sept. 28). Adoption groups across Canada urged the minister of health, when drafting legislation on reproductive technologies, not to repeat the errors that were made in provincial adoption secrecy legislation. Research has shown how misguided were many professional judgments that stressed the need for personal anonymity and secrecy of identifying information in adoption. Children created from reproductive and genetic technologies have a right to their identity, including the identifying information of their biological parents. Only identifiable donors should be accepted. To offer donor information to children only "some social and medical history," as Dr. Patricia Beard recommends, is discriminatory and disrespectful to the child. How many people who recommend limited genealogical information rights for DPs (donors) would accept this restriction for themselves?

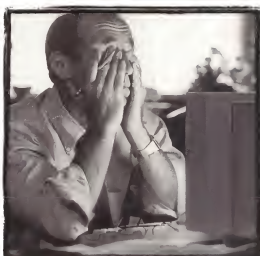
Kathleen Kimbell
Co-Chair
Adoption Reform Coalition of Ontario
Ottawa

troubling trash because he had an affair and lied about it. I would suggest that if every man who recklessly carried on with women, and then "huldu" lied about it, suffered from such a "personality disorder" that he should never be allowed to be a leader. But we would be hard pressed to find a "deserving leader" based on history in any field. It is reasonable to conclude that very few of us were privileged enough to grow up in a world where there are no secrets, denial, dishonesty, poverty, and/or disorder. Should that misery represent the only path to the "deserve" end? History has proven that adversity often creates individuals with great character and vision, and yet such persons remain human. As is the case with Bill Clinton and so many of us.

John Gagnon
Calgary

Diane Francis observes that Bill Clinton grew up in a dysfunctional trailer-park setting. Therefore, we should all have compassion but should not confer power. If we snatched "trailer park" and inserted "Buckingham Palace," should we still have compassion but not confer power?

Charmen McDougall
Whitby, Ont.



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Peggy Cove
Upheavals: what
happened?

The International Association of Special Investigators (IAI) in that the Ottawa Carleton Regional Police is improving its strategies to fight auto theft. It has set up the Organized Auto Theft, which will work with representatives of insurance companies, dealerships and rental companies, and the industry of transportation to continue the fight against motor vehicle thefts. The new group will dedicate efforts to try to convince our government that we need tougher laws and severer sentencing. The group will also work to prevent fraud in the transfer of control vehicles and in dealing with annual insurers. We must work at punishing these crooks who are stealing our property.

S. Arpelt,
Ottawa

A tragic loss

Tragedy is nothing new to mankind, but somehow it is always a surprise, never loses its power to astonish. Those of us who did not lose a brother or son or husband or father or friend or spouse nevertheless, the recent Kelly share for depths of the sadness. The family and friends of Dr. Carol, Bill Hanson, who was stabbed to death while on undercover duty in Toronto ("Slaying goodbye," *Capital News*, Aug. 24). But we can comfort them of the joy it was to know this young man, and think for a moment of the joy they gave him. God bless him, Bill Hanson, and give strength to your family and friends to move on.

Nadia Byham,
Toronto

Referendum majority

Robert Lewis's commentary on Quebec's right to separate from Canada on the basis of a 50-per-cent-plus-one vote in a referendum was surprising ("Why plus-one not enough?" *From the Editor*, Sept. 7). I and many Newfoundlanders before me have the quickly acknowledged that the precedent that best supports the issue of Quebec separatism has consistently been disregarded by the Parti Quebecois and the rest of mainland Canada. During a referendum in 1948, a small majority of 52 per cent was sufficient to allow Newfoundland's elected representatives to negotiate entry into Canada. A 7,000-vote majority, on the second ballot of a

clear question, was enough to bring Newfoundland into Confederation. Regardless of how beloved Canada had been, the possibility of a fractured nation, the founding principle of democracy has always been the freedom to choose. If a margin of 2 per cent-plus-one was good enough to bring one province into that country, shouldn't the reverse also apply?

Don Macleod,
St. John's, Nfld.

If the Yes vote was a referendum by a substantial majority in a clearly worded question, then the federal government could call for an immediate election in the rest of Canada, so that the people can elect their agents after the war. I do not want separatists elected on my behalf by a bunch of federal MPs from Quebec.

George W. Dooly,
Ottawa, Ont.

Talking to horses

We were delighted to read your article on "Horse whispering" (*Canada*, Sept. 21) since our newly launched program, Equine Dynamics, carries the concept of communication with horses one step further: we train people to communicate with horses. Our clients, who, people horses and respect are key skills to self-development that can benefit everyone—from business executives to children to victims of abuse. Horses are wonderful creatures to work with because they mirror our feelings and provide immediate feedback. When you discover how a 1,000-lb animal responds to your direction, you feel like you can take on the world!

Dennis Daphin and Cheryl Gibson,
Toronto

Pay equity

A Human Rights Tribunal, using a magic formula, has determined that a group of public servants, mostly women, has been underpaid for many years. A Human Rights Tribunal is not a court of law but rather was a defenceless institution. Was their calculation correct? Perhaps. But when the cost of that decision may be as much as \$5 billion, the federal government must appeal. The government represents all the taxpayers of Canada, not only the 200,000 public servants who stand to benefit from the decision. Much has been written about the pay-equity decision, but I have yet to see the salaries and benefits of the public servants, that the Human Rights Tribunal has ruled to be inadequate and the amount they now determine to be reasonable. If asked, the average taxpayer would complain that public servants are overpaid, receive more benefits and are recipients of better pensions than what is available for

clear thinking and computer business skills, and wish to thank you for taking the time to address the problem of "Why kids can't read." Cover, Sept. 7). People with dyslexia are usually above average in verbal power. Most have developed very elaborate coping mechanisms to hide the fact that we are "slow" as "slow" and can never remember if "I" or "it" comes first in any given word. Many of us will better live society where everything is spoken rather than written. We need to find the ideal way for individuals to learn, not to try to design one system for all. Such a system will only continue to frustrate more than it will teach.



Maclean's magazine cover featuring a child reading a book.

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create special schools for (programs) for learning disabled students who want to become teachers? Then, who better to teach the mainstream classes than these graduates? With their very own personal expertise, we have three superb (and excellent) teachers—both for others with learning disabilities, and also for those without.

Patricia Anne Day,
Burrton, Ont.

Tuition caps

I was shocked that the dean of the Richard Ivey School of Business at the University of Western Ontario in London, Larry Tapp, would say "First, I had to get the God-damned caps of tuition" ("Starting the brain drain," *Ann Downer* Johnson, Sept. 14). As a university student who is paying \$3,333.24 in tuition—not including the additional costs of books and lab manuals, which is more than \$500—the idea of getting rid of tuition caps is appalling. The Canadian Federation of Students has released statistics saying that "between 1985 and 1997, the consumer price index, the average annual change in

New learning ideas

A son who was only tested for dyslexia. At the age of 22, I know what it means to face a lot of years of questions about

After reading your article on "Why kids can't read," I had an inspiration. As an educator myself, I know that one's own schooling is often a crucial factor in a person's decision to become a teacher. Also, consider that parents of learning disabled children generally prefer segregated classrooms. Wouldn't it be a fabulous idea to



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'Punishing crooks'

The article "Can theft go export?" (Special Report, Aug. 27) really outlines the problems we're having in Ontario. I am an insurance claims adjuster and I am part of

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THE MAIL

costs of goods and services, rose 38 per cent. Over the same period, the tuition fee annual index, the yearly average increase in tuition fees, rose 135 per cent. The thought that some universities wish to charge such sums makes it seem as if education has become a rich person's privilege and not a regular student's right. If students who are not wealthy are unable to attend university because of circumstances that they cannot control, the majority will probably never earn much more than minimum wage in a world where post-secondary education is free. If, by chance, they are able to take out a student loan, the only way to pay off the huge debt-load by the time they are out of school is to take the highest-paying job they can find in their field—which usually is in the United States. And you wonder why we lose our best students?

Anthony Dery,
Pittsford

'Lifting the silence'

Kudos to Allan Fotheringham for overcoming his recent battle with cancer. Though his Sept. 14 column was laced with his trademark wit, it also contained an important message ("As I was saying, before I was so rudely interrupted"). A few years back, Fotheringham also wrote an excellent piece about the waning interest in cancer research, largely because AIDS had become the "menace" disease that celebrities threw their support behind. (This, despite the fact that cancer kills hundreds of thousands of men, people each year.) Hopefully, articles like Fotheringham's will help lift the blanket of silence we're wearing prostate and other forms of cancer.

David Rosen,
Toronto

It was with great sadness that I read about Allan Fotheringham's bout with prostate cancer. I hope that his treatment went well and I wish him many more years of good health. One detail troubles me about his column. Fotheringham has referred to prostate cancer as a "male-only disease" and to breast cancer as a "female-owned disease." Underhandedly, breast cancer is by no means a "female-owned disease." Men also do suffer and die from breast cancer. If male gender makes it difficult for them to discuss prostate cancer, imagine how difficult it would be for a man to admit to his buddies that he has to have a mastectomy. Perhaps breast self-examination should be a priority for both men and women. Both of these diseases are a great tragedy and it is hoped that we can soon find a cure. And, guys, your health is more important than your pride. Take care of yourselves.

Norah Young,
Aldie, Va.

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Healthy Bites

Lactose Intolerant? Fight fire with fire!

Much the same way allergy and its shots build immunity, consuming milk may help overcome lactose intolerance, according to Dennis A. Saviano, Ph.D., dean of Purdue University's School of Consumer and Family Sciences and specialist on the issue. He explains that intestinal bacteria will usually lock in to manufacture lactase in people



Drinking milk could be the best (long-term) treatment people can do for themselves!

who produce too little of that enzyme necessary to digest lactose, the natural sugar in milk. In as little as three to four weeks, Dr. Saviano transformed lactose-intolerant people into contented dairy indulgers by giving them small amounts of lactase four times a day. He recommends starting with 1/10 cup of milk with meals (to slow down digestion, which automatically increases tolerance to lactose) two to three times a day, and slowly increasing milk consumption. It may not work for everyone, but it's worth a try. Why bother? Because milk is such an easy, delicious way to get so many of the nutrients we need.

Help fight those winter blues

If the impending winter is making you blue, exercise your right to happiness. You can step up production of "feel good" substances in the body (known as endogenous opiates) simply by exercising. Nice to know that regular physical activity—in addition to greatly helping reduce the risk of heart disease, stroke, and some cancers—can also contribute to happiness!

From the Dairy Bureau of Canada

NO BONES ABOUT IT

What do milk products have in common with vitamins/mineral supplements? A lot more than just calcium! According to new Agriculture Canada data, they are the number one food source for magnesium, phosphorus, potassium, riboflavin, vitamins B₁₂ and D (milk only) and, of course, calcium. If that's not enough they are also a major source of zinc, niacin and vitamins A and B₆. So, simply by getting two to four servings a day of milk products such as milk, yogurt or cheese, Canadians can truly eat and drink to their good health!

IS IT THE FAT WE EAT THAT MAKES US FAT?

Not necessarily! Renowned Harvard University nutrition scientist, Dr. W.C. Willett, reviewed the scientific evidence on this subject and concluded in a recent article in the *American Journal of Clinical Nutrition* that "diet high in fat are not the primary cause of the high prevalence of excess body fat in our society, nor are reductions in dietary fat a solution." So what is? Physical activity appears to be the most effective means of weight reduction.

THE MAIL

party and want to deal a final death blow. Want to ruin the Conservatives? It's simple—sign up and vote for David Orchard! Even the defunct Tory supporters who remain could not tolerate Orchard at the helm. They will either resign or cause such a terrible rift in the party that the whole organization will move quickly and steadily into oblivion. Where this happens, it will be up to the Reform party to change its course, appear to welcome everyone (while really ignoring all the rants of the Tories), and for the first time in years present a viable alternative to the Liberals.

Paul Melton,
Victoria

'Seeing' the Internet

Thank you for writing the interesting article on the new mouse system for blind persons ("A seeing-eye mouse," *Education Notes*, Sept. 28). The development of assistive devices, such as the Virtual Reality Mouse, have allowed disabled persons to greatly increase their presence in today's information-intensive, computer-dependent workplace. It should be noted, however, that the article gives the false impression that a mouse system is required to operate within the graphically based Windows operating system if you plan access to the Internet. All well-designed Windows-based programs allow the user to access all menus and icons using the keyboard alone. The graphical point-and-click nature of Windows programs has resulted in a dependency on the mouse, even though we can adequately use a computer without it.

Andrew M. Czapla
Well, Que.

Affordable education

Snatchdown the cheapest ("University Roundup," *Education Notes*, Sept. 28)! We beg to differ. For 14,000 Canadians, the least expensive province in which to get a university education is their own. They can live in their own communities while taking fully credited undergraduate or graduate courses at a distance from Athabasca University. The fees for a three-credit undergraduate course are \$302 for students living in Alberta and \$422 for students living elsewhere in Canada. Tuition, books, software, course materials and e-mail and toll-free access to one-on-one tutoring is all included. For a lot of students, distance learning over the Internet or through more traditional media—printed materials, software, tapes—is a choice worth investigating.

Paul Patton
Communications Office, public affairs,
Athabasca University
Athabasca, Alta.

If you think it's hard getting to
MARS
try getting to hidden plaque in
hard-to-reach places.

With all due respect to the Pathfinder program, exploring the farthest reaches of outer space can be almost as challenging. That is, unless



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Opening NOTES

Edited by TANYA DAVIES

Salvaging cargo

As the winter season looms, weary rescue teams are working to complete the salvage of debris from the horrific crash of Swissair Flight 111 in the waters off Pigeon Cove, which killed all 229 aboard. The divers have recovered whatever visible human remains and debris they could safely claim. Attention has now turned to the threatened presence of oil—and some hazardous cargo. The jet was carrying millions of dollars' worth of diamonds, jewelry and handbags, and an original Picasso painting. "We're not worried about scavengers," insists Halifax RCMP spokesman Sgt. Bill Price, "because when we leave the area it will be totally clean. There will be nothing to claim." Price is confident on the Sea Serenitas, a special and large equipped with a large crane, to sweep the crash area before the end of the month. Still, much investigation has to be done to make sure the debris, depending on where it ends up, is not the cause of the crash. "Mother Nature is going to tell us when to stop," says Transportation Safety Board of Canada spokesman Jim Harris.

Picasso's *Le Peintre (The Painter)* and one other, unmentioned, artwork among the cargo lost on the Sept. 2 accident. *Le Peintre* was valued at \$8.3 million, and was being transported in a normal freight container, not in



been previously destroyed. But the diamonds, jewelry and 38 kg of handbags were in a special container with reinforced walls and a locked aluminum door. A military-enforced restricted zone is in effect around the crash site, but the RCMP has yet to decide whether to maintain it after the cleanup. "The recovery zone is 180 feet underwater," says Price. "That is not a normal depth for a diver to go. People looking for treasures aren't going to get very far."

A section of debris from Swissair 111, where we know the area it will be totally clear

CAPITAL CONFIDENTIAL

John Christie has always made much of the United Nations' repeated ranking of Canada as the best place in the world to live. In a Toronto speech on Sept. 30, he credited the stewardship of his Liberals for the organization's latest accolade, which proclaimed Canada No. 1 for the fifth year in a row that the Prime Minister may now have to find some new bragging rights. Last June, due to intense lobbying by Canadian social welfare organizations, including the National Anti-Poverty Organization and the National Council of Welfare, the United Nations made a formal request for new information to determine how Canada really stacks up against the world in terms of guaranteeing basic social rights. The United Nations asked 80 specific questions, and Heritage Canada may be heading over its shoulder as early as this week. Dubbed "poverty concerns," the questions cover the interpretation

EMPORIUM

Average number of major-league home runs per baseball game
In 1998 (including the record-setting performance of Mark McGwire and Sammy Sosa): 2.98
In 1997: 2.08
In 1996: 2.19 (a record)

Average attendance at a major-league baseball game
In 1998: 29,371
In 1997: 28,288
In 1996: 25,260
In 1995: before the players' strike: 31,612

GOLDFARB POLL

Not surprisingly, the usual Canadians just, the more likely they are to be thinking seriously about their retirement. And that's younger people, too. We're thinking about how they'll manage without a paycheck, with 25- to 34-year-olds leading all other age groups in saying they couldn't shut down at least a little. The level of consideration goes to financial planning for retirement by percentage of 1,400 adults surveyed.

	Total	Under age 25	25-34	35-49	50-64	65+
A lot	28	13	20	25	37	46
Some or little	66	56	71	62	32	38
None	11	28	8	10	7	7
No response	3	3	1	3	4	9

DATA COLLECTED FEBRUARY 1999

Goldfarb's Research Inc. Montreal

DOUBLE TAKE

Steve Bauer

For many athletes, the greatest possible thrill is a trip to the aerial podium at the Olympics. But not for Steve Bauer, one of the best cyclists Canada has ever produced. The nephew of Frederick, Ont., in the Niagara Peninsula, won a silver medal at the 1984 Summer Olympics in Los Angeles, finishing half a mile length behind American Alan Gendron in a 160-km time trial that lasted five hours. But the highlight of his career came four years later at the Tour de France. He placed fourth in the grueling three-week competition, after wearing the leader's pink jersey for five days. It was the stage and a shock of my best Tour de France," he recalls. "It was Canada Day to boot. It was a unique experience."

Bauer competed in the Tour—considered cycling's greatest event—11 times before retiring from the professional circuit in 1996. Then, after living in Belgium for 11 years, he returned to the Niagara Peninsula with his Belgian-born companion, Annette Gendron, and together they started the Steve Bauer Bike Tours Inc. Steve took April until late October,

30-km jaunts. Climbing the Niagara Escarpment, an ascent of about 45 m, is the steepest challenge of the day. "I guess the town atmosphere and spirit," he says of his life as an athlete, "but I don't dwell on it."

Bauer earned \$750,000 a year at his peak, but says a divorce settlement five years ago—he and his ex share custody of their two children, 7 and 3—ruled out early retirement. His earnings has business, he notes, adding, "I made a good choice to quit when I did."

DARCY JENSH



Steve Bauer, one of the best cyclists Canada has ever produced, won a silver medal at the 1984 Summer Olympics in Los Angeles, finishing half a mile length behind American Alan Gendron in a 160-km time trial that lasted five hours. But the highlight of his career came four years later at the Tour de France. He placed fourth in the grueling three-week competition, after wearing the leader's pink jersey for five days. It was the stage and a shock of my best Tour de France," he recalls. "It was Canada Day to boot. It was a unique experience."

BEST-SELLERS

- FICTION**
- 1 *GoldenEye* (3)
 - 2 *When Did You See This* (2)
 - 3 *The Love of a Good Woman* (1)
 - 4 *After Hours* (1)
 - 5 *A Kiss in the Snow* (1)
 - 6 *The Girl on the Train* (1)
 - 7 *The Girl on the Train* (1)
 - 8 *The Girl on the Train* (1)
 - 9 *The Girl on the Train* (1)
 - 10 *The Girl on the Train* (1)

- NONFICTION**
- 1 *Confessions of a Teenage Boy* (1)
 - 2 *The Girl on the Train* (1)
 - 3 *The Girl on the Train* (1)
 - 4 *The Girl on the Train* (1)
 - 5 *The Girl on the Train* (1)
 - 6 *The Girl on the Train* (1)
 - 7 *The Girl on the Train* (1)
 - 8 *The Girl on the Train* (1)
 - 9 *The Girl on the Train* (1)
 - 10 *The Girl on the Train* (1)

Back to the Bre-X scam

Business reporter Jennifer Aronson was the first Canadian to publish an article on the ground story about Bre-X and the Rusing gold scandal. Now she has produced *The Bre-X Scandal: The Story of the Bre-X Gold Scandal* (Penguin), detailing the scam that seduced businessmen and stock exchange and ruined the lives of many investors.

JUSTICE

Passages

DRUGS Award-winning television journalist Eric Maling, 52, of a brain hemorrhage, following a fall down stairs in his Toronto home. Maling was best known for his documentary work on CTV's *603* with Eric Maling and CBC's *60th* anniversary.



Fraser, the *60th* anniversary. In recent years, Maling struggled with alcohol abuse.

DRUGS Quebec singer and actor, often with Pauline Brunelle, 70, from Quebec, following a long struggle with a physical ailment that left her unable to speak, in Montreal. The *60th* anniversary. In recent years, Maling struggled with alcohol abuse.

DRUGS John de Burgh Payne, 51, of cancer in Montreal. A conservative politician, Payne was elected to the House of Commons under Liberal Prime Minister Jean Chrétien. He was a member of John Turner's "hatchet campaign" in the years leading up to Turner's 1984 campaign of the Liberal leadership.

DRUGS Singing cowboy Gene Autry, 90, in Los Angeles, starting at 4 with a \$5 million guitar, he became a radio, recording, TV and movie star. Autry built up a multi-million dollar broadcasting empire, and was the original owner of the California Angels baseball team.

DRUGS The first black mayor of Los Angeles, Tom Bradley, 80, of a heart attack, in Los Angeles. The son of a Texas sharecropper, Bradley rose through the ranks of the Los Angeles police department to become mayor in 1973, a position he held for 23 years.

DRUGS Jazz singer Betty Carter, 69, of cancer in New York City. Carter became famous in 1960 with *Butchy's Cold Outpost*, a duet with Ray Charles.



With the Employment Insurance fund running a huge surplus, Ottawa is under pressure to give Canadian taxpayers a break

Martin Solberg (right), a growing fear in Liberal circles that the former minister's personal credibility might for the first time be starting to slip



government accounts, so the financial deficit would be clearly reflected in the budget. After the crunch of the early 1980s, however, unemployment fell and the new Liberal administration tightened up rules for collecting benefits. As a result, the EI account began raking up surpluses—just in time to contribute mightily to Martin's drive to balance the budget. Now, if the government is loath to give up the revenue it has come to rely on.

But the program was never designed to be just another tax. The Employment Insurance Act dictates that the premiums paid by workers and companies must be set at a level that ensures there is enough money to pay benefits. The act allows premiums to be set high enough to generate surpluses in good economic times, but only enough to offset any shortfalls when a recession hits and unemployment spikes up. Back in 1986, the government estimated it needed to build up a buffer of about \$5 billion in the EI account as a hedge against hard times. But by the end of this year, that accumulated surplus will have swollen to \$20 billion. Any premise that the program is being run as a steady-state insurance fund has long since been dropped. Instead, Martin contends that excess EI revenues give the government a cushion in uncertain economic times and the flexibility to pay for other good things. "This means that we will invest in health," he said last week in the House. "It also means that we will invest personal taxes for Canadians."

Martin now faces a politically dangerous conflict with the Employment Insurance Commission, which oversees the program. Each fall, the commission—a tribunal made up of a commissioner

representing unions, a second representing employers and a third named by the government—recommends premium levels for the next year. Last year, the commission proposed a reduction. Martin is dropping the rate by 30 cents—twice the amount he had planned for 1996. The premium paid by workers was slashed to \$2.70 for every \$100 they earn, up to a maximum of \$1,053 a year. (The employers' rate is always set at 1.4 times the employee's premium, or \$3.75 this year for every \$100 of payroll.) That 20-cent cut cost the government about \$1.4 billion—something all the payroll tax burden for which, Martin's advisers gripe, the Liberals got little credit.

This year, the commission is leaning towards asking for a cut of up to 50 cents, which would come close to meeting the legal requirement that premiums should reflect the demand for benefits. A rate cut of that magnitude would cost Ottawa \$2.5 billion next year and risk not any personal tax reductions or significant new health spending in the 1996 budget, according to senior Liberals. Still, even officials opposed to such a step reduction concede the commission may feel it has little choice but to recommend a rate low enough to comply with the law. "The commissioners are following the rules of the game," admitted an senior finance department official.

Martin has responded by considering changing those rules to suit his game plan. Among a range of options he has asked the cabinet to consider is a bold move to stand the act to let premium levels rise even higher than is needed to fund the EI program alone. The government cannot delay making a decision for long: the premium rate for next year must be set no later than December, to give Revenue Canada time to tell employers what formula for payroll deductions to use next year.

The prospect of Martin moving

decisively has the government's critics circling and sniffing blood. "If they change the law, they will just be hiding the fact that hardworking Canadians are paying much more than they have to," Alberta finance minister Stockwell Day told Maclean's. "In Alberta, we call that misappropriation of funds." Day said the provinces will unanimously urge Martin to accept a \$2.20 rate at a finance ministers' coordination in Winnipeg later this month.

In a telephone interview from Washington, where he was attending the semi-annual meeting of the World Bank and International Monetary Fund last week, Martin told Maclean's that the on-

'Drop the money'

BY JOHN GEDDIS

The eagerness of Martin Solberg's attack grew away the fact that he had a dagger to deliver. Leading off *Question Period* on Sept. 28 by asking Finance Minister Paul Martin about the multi-billion-dollar surplus piling up in the Employment Insurance account, the Reform finance critic wanted listeners to hearing the TV newscaster their clip of the day. "Why does the minister not just drop the money said with away, slowly, and ketchup hands where Canadians can see them?" Solberg asked, adopting the stern tone of a cop who has caught the (reformer) red-handed. There was no witty answer for that one. Later Martin gave Solberg credit—sneaked past parliamentary perlocution to another—where they met at a dinner for Conservative finance ministers in Ottawa. "Paul said, 'Go get to give the devil his due—that was very good,'" Solberg told Maclean's. "And I said, 'Paul, I'm an actor—I was given my line and I delivered it.'"

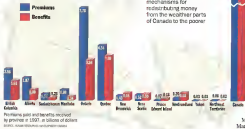
But there was more going on in the highly charged debate over EI than mere House of Commons theatrics. Solberg's one-liner was rewarded by playing on the growing fear in Liberal circles that Martin's per-

sonal credibility—the rock Prime Minister Jean Chrétien has built his government on—might for the first time be showing cracks. It hints at whether the government should keep on pulling to the margin in EI premiums year after year than it pays out in benefits. The year the program is expected to be \$7 billion in the black. The Reform party, the provinces and business lobbyists are demanding a stamp out in the premiums paid by workers and employers, to bring the program's accounts into balance. Martin counters that EI surpluses, which helped him wipe out the deficit, should be maintained to pay for new programs and allow other taxes to be cut. "This time, he doesn't have an elaborate policy justification," Solberg said. "He's just saying, 'We need the money—and we're going to take it.'"

Martin might well wish it were that simple. In fact, the controversy over how Ottawa should be allowed to use the surplus stems from the complicated history of unemployment insurance. The program, launched in 1940, only recently evolved into a cash cow. Through most of the 1980s the safety net for Canadians who lose their jobs paid out much more than it brought in, it had to be topped up annually from general federal revenues. In 1986, the then Conservative government took the advice of the auditor general and rolled the fund into the main

THE EI MONEY MACHINE

The Employment Insurance fund is one of the most mechanisms for redistributing money from the wealthier parts of Canada to the poorer



CALLING ALL HONORABLE CANADIANS



Modern's 13th annual Honor Roll of 13 Canadians will appear in the December 21 issue, on sale on December 14. Readers are invited to submit nominations with testimonials of 50 words or less. To be honored, candidates must be Canadian citizens whose contributions to the life of the nation in 1998 is worthy of special recognition.

A panel of editors seeks candidates, famous or not, from a wide variety of fields with only one exception: those engaged professionally in politics.

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CANADA

going turmoil in the global economy makes that the wrong time for the government to contemplate dramatic cuts to EI programs. He argued that stripping the federal books of those hefty 13 surpluses would leave Canada's national finances looking much weaker to international markets. And that would undermine Ottawa's ability to keep interest rates low, he added. "The world economy may be in for a really tough—what?—six months, year, 18 months or two years," Martin said. "My main responsibility as finance minister is to make sure that this country can weather the storm."

I have to use every tool at my disposal, and the EI fund has been part of that from the beginning."

Martin bristled at the suggestion that using EI funds as part of the government's general flow of money is wasteful. He pointed out that it was the previous Conservative regime, not the Liberals, who made the last part of the government's consolidated revenues "90 per cent of spending from the account is counter-productive," Martin said. "Have these people got any idea what's happening in the world?" But he would not go into details about how he plans to navigate around a possible money clash with the Employment Insurance Commission over setting next year's rate. He hinted, however, that he fears slipping short of a full overhaul of the act. "The government is not going to do something illegal but the government does have the means of dealing with this kind of an issue, even if it deals with it on a transitional basis," he said.

Some of the Liberals' adversaries are drawing parallels between the storm Martin is weathering now over the EI situation and the sustained pressure Clinton has been enduring over the security crackdown at last year's APEC summit in Vancouver. "The two are touchables in this government were Clinton and Martin," Walter Robinson, federal director of the right-leaning Canadian Teachers Federation, declared with satisfaction. "Now, they are both facing what they will stick."

Just how shaky the EI dispute turns out to be for Martin could depend on how badly '98 Telford is scratched by another controversy. Last week, the drag of the Canada Pension Plan's chief actuary, Bernard Dussault, exploded from an obscure case of bureaucratic infighting into a full-blown political upset. Dussault says he was dismissed in August because a review he was conducting was the CFP was about to reveal potentially embarrassing problems with the plan's finances. He

will not discuss details, but one possibility is that his assessment would have shown the CFP deduction from Canada's paycheques might have to rise above the 3.9-per-cent maximum rate granted by the government when the plan was overhauled last year. Dussault says he was twice asked to alter quotes born to avoid embarrassing Martin—and refused. "It's not that I'm not a team player," he told *Maclean's*. "It's that to maintain the integrity I need to prepare a report. I cannot be subjected to bad influences."

Dussault's former boss, John Palmer, the federal superintendent of financial institutions, held a news conference last week to refute the allegation that politics was behind the chief actuary's dismissal. Palmer said he fired Dussault over managerial differences, largely because other bureaucrats had long found it hard to work with him. And after Dussault publicly named Palmer as the official who tried to interfere with the evaluation of the financial health of the pension fund, Palmer announced he was suing Dussault for defamation. Under the over-the-table in the House, Martin denied any involvement. "I



Dussault, a full-blown political upsur.

never discussed this matter with Mr. Palmer," he said. "And Mr. Palmer, as he has stated himself, told me after the fact that he had asked Dussault to resign."

Still, the questions raised by the Dussault affair have left Martin in an uncomfortable position. Employment Insurance and the Canada Pension Plan, the two big federal payroll deductions, tend to be lumped together as policy concerns. Any attempt now to step in quickly to change the way EI premiums are set may inevitably be linked to Dussault's allegations of clandestine political tampering with the CFP. The opposition parties are already linking the two issues. One senior Liberal of fiscal who asked not to be named, said Martin is anxious to avoid being forced into taking any heavy-handed action on EI this fall. He is holding out hope that the Employment Insurance Commission can be persuaded to scale down its demand for a large cut in the premiums for 1999. The commission is scheduled to make its formal recommendation in November. If no deal is reached by then, the government might choose to introduce legislation to overrule the commission's advice and maintain a higher rate. Such a move undoubtedly could save the government billions. How much it might cost Martin in terms of hard-won political capital is harder to calculate. □

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Pepper spraying protesters on Nov. 25 broke started long before the summit

CANADA

Autumn days of dissent

Was the Prime Minister directly involved with the bust?

BY JENNIFER HUNTER

Just after lunch last Halloween, a group of contained University of British Columbia students broke down North-west Marine Drive to Norman MacKenzie House, the spacious residence of the university's president, Martha Piper. Jonathan Oppenheimer, a physics student, wore a pair of Mickey Mouse ears. The trend, anthropology major Caleb Sigurdson, had carved a pumpkin and placed it on his head. Victoria Scott, an art history graduate student, posed as Martha Piper herself, dressed as a nun and a baseball cap bearing Piper's slogan promoting UBC research: "Think about it."

The three, all 26 years old at the time, were part of a group of about 30 students active in APPEC Alert, a UBC-based group opposing the two-day Asia Pacific Economic Co-operation conference that was scheduled to hold its closing meeting on the

UBC campus on Nov. 25. A lunch was being planned for APPEC leaders in a newly constructed atrium at the back of Piper's house. And that is where the students headed. With washable markers they scrawled protestably anti-APPEC messages on the glass atrium walls such as "Say no to APPEC." Piper was not at home at the time, but by 1:45 p.m., the RCMP—who are responsible for policing the campus, arrested and arrested Oppenheimer, Sigurdson and Scott, charging them with mischief. Sigurdson signed an undertaking not to protest again at the president's residence and was released later that day. But Oppenheimer and Scott refused—and were kept in jail for five days.

In the larger scheme of things, the Halloween incident at the Piper residence was minor compared to what subsequently happened on the UBC campus in the days leading up to and including the APPEC summit: heightened police surveillance, increasing

numbers of arrests, the use of pepper spray to quell nonviolent student protests. But the Oct. 31 graffiti protest certainly presaged those disturbing events, which have resulted in allegations that the Prime Minister's Office may have been directly involved in trying to snuff out student protest. And now, the crackdown on the UBC campus will be scrutinized by the RCMP Public Complaints Commissioner, whose hearings into security at the APPEC summit resume this week in Vancouver.

The commission will examine the behavior of individual RCMP officers, the appropriate use of police security measures—and, in all likelihood, the role of the PMO. The RCMP have claimed that it was the largest security operation ever undertaken in North America: 2,300 of its officers and 700 members of the Vancouver police were employed to guard the 18 APPEC leaders and their entourage. But the Halloween arrests and the chronology of subsequent events

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Statistical Analysis

CANADA

show the trouble between police and students started long before the first APSC riotous road-rail riots for curfew.

UTC came to host APFEC after former university president David Strangeway officially offered the campus as a venue in 1996. (In 1993, a summit meeting between Russian President Boris Yeltsin and U.S. President Bill Clinton had been held there without incident.) In September, 2005, the federal government agreed to lease the spectacular Arthur Fickelson-designed Museum of Anthropology and the president's residence for the APFEC meeting. But there was rooming安排 among U.S. students that day in Simpson was far from the site of the summit. The newly formed APFEC had been planning the encounter with posters from the APFEC and its participants, especially then-Indonesian President Suharto and Chinese president Jiang Zemin, because of human rights abuses.

Internal federal government documents show politicians tried to assuage concern of the Indonesian government about the verifiability of protesters—all Salim's

posters has been appearing in Canadian cities, dating that summer—and asserted Suharto would not be embraced by Canadian demonstrators critical of Indonesia's occupation of East Timor, a former Portuguese colony brutally invaded and seized by the Indonesians in 1975. According to a governmental memo dated July, 1997, and dealing with a meeting between Foreign Affairs Minister Lloyd Axworthy and Indonesian Foreign Minister Ali Alatas,

Almas said that if protest groups "could not be controlled and the dignity of the president was vilified, the president would rather not come to Canada." He fervently apologized for the anti-Sabato posters, saying they were "outrageous and sacrilegious and not the way Canadians behaved."

One of the organizers of those protests was Jagg Singh, a radical activist and former UBC student deeply involved in an organization called the East/Timor Alert Network. On Nov. 7, Singh and a group of UBC students demonstrated in front of the Museum of Anthropology, with Singh using a bullhorn to lead chants against Suharto. No arrests were made. But campus protests continued up and, the week before the AFEC summit, UBC students began to erect a tent site outside the Student Union Building. They called it Demosafe, short for Democracy Safe Zone, and said that campus democracy was being threatened by the AFEC summit. "The tent is just a way of creating our own meeting place," says Oppenheim. Eleven students also raised tents on a walkway at the back of the museum.

But the federal government pressed to move up the date it was to take possession of the museum site—from Nov. 26 to Nov. 22—so it could clear the area of students. Chris Brown, the APAC-UNC liaison officer, informed Martha Piper in a memo: "The federal government is seeking the co-operation of the prolife government to put pressure on the university to both evict students from the MoA site and agree to advancing the date in the agreement to 5

the federal government taking over the jurisdiction of the museum property." On Nov. 23, four of the museum tent dwellers who refused to leave the area were arrested and charged with trespass. In order to secure their release, the four were required to sign an undertaking promising not to participate in anti-APEC demonstrations or rallies and to keep 100 m away from the APEC facilities.

Such actions only led the tension, fear and anger of students. "We felt we were under siege," O'Connell recalls of the days just before the rioting. "It was really scary. There were a lot of rumors going around and police were everywhere. Bitchosque was firing from the campus and students tried to walk together in a group because we felt we could be arrested at any time."

On May 24, the day before AFM's delegation arrived, the rioting broke out. The riot was over quickly. Early that afternoon, three plainclothes RCMP officers arrested Singh, during the New 74 demonstration at the museum, they said, his brother had allegedly fired a campus security officer's rifle. Singh was taken to the RCMP station, released from custody after signing an undertaking that he would not set foot on the UBC campus during the AFM's campaign.

That afternoon, around 4 p.m., another student, David Milne-Levine, wearing a black t-shirt with the words "New 74" and RCMP after a small demonstration near a campus plaza. Videotapes obtained by the RCMP completely corroborate what he is being asked to sign in the face of the rioting. He'd at least met Singh before the rioting.

MAP OF UBC GROUNDS



On the eve of the AFRC meeting, a deadly, bone-chilling Vancouver meeting, about 300 students stayed overnight in the Student Union Building. At least 50 braved the cold and camped in their tents at Denisonville, in preparation for the meeting the next day. Others were also getting ready. Among them was a low student Craig Jones, 30, who spent a comfortable night in his room at Greer College, situated about 200 m east of the anthropology museum. Until the AFRC summit, Jones had never been involved in being present. Active in the B.C. Civil Liberties Association, pursuing issues such as freedom of expression, he had been a member of graduating from law school and usually worked years for a suit and tie.

But when students began setting up tents at the museum, he decided he would become an observer for the association. "These kids were being very peaceful," recalls Jones, now an archiving student at a prestigious Vancouver library. "They were even putting their cigarette butts in Ziploc

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CANADA

lars so they wouldn't litter the museum grounds." After the Nov. 28 arrests, Jones went to the RCMP detachment where the four students were being held. He saw the undergarments they were required to sign—not to demonstrate—and, he says, "My civil liberties knees began to knock." As a result, Jones says, he decided "to personally test the RCMP's response to protest."

By the morning of Nov. 29, a security fence had been stretched around the north side of campus, including the museum, to keep the crowd back. RCMP officers, meanwhile, were preventing students from placing signs on it. Jones decided to find a way around this restriction. He put some signs—"Democracy," "Free speech"—on two rolling carts and wheeled them to a sidewalk that the motorcades would pass. When the RCMP told him to remove the signs, Jones politely refused. He was pushed to the pavement, handcuffed and arrested, and kept in jail for the day.

Shortly after Jones's detainment, at about 9 a.m., 27-year-old Annette Martroy, a PhD student in environmental microbiology from Germany, was detained as well. Martroy, who had volunteered to act as an APEC Alert person—controlling the crowd with a megaphone—headed out on her bicycle to find out what had happened to another peacekeeper, Janice Desroche. Desroche was supposed to observe an early morning demonstration by the East Timor Alert Network, but radio contact with him had been lost. As she stood beside her bicycle on Northwest Marine Drive, where the motorcades were beginning to pass, Martroy was handcuffed and arrested. In the police car she found Desroche. The two were taken to the Richmond detachment of the RCMP with at least 40 other students. Martroy was very startled and spent over seven hours in jail, according to police reports. "It was humiliating," she says.

About an hour later, some 3,500 protesters converged on Main Mall, a boulevard in the middle of campus. At Flagpole Plaza, just across from the museum, students began to press against the security fence. "I remember looking up and seeing all these people and thinking to myself 'This is going to be bad,'" recalls Evonne Ennot, assistant news director for CKNW radio, who was covering the event. When two young women attempted to climb the fence, it suddenly toppled over. "People started scrambling to get out of the way," Ennot says. And then the pepper-spraying began. "I didn't get sprayed as badly as some of the others," Ennot says. And she estimates there was no other way police could have controlled such a large crowd. "There were too many people and not enough police," Ennot explains.

After a second spraying, the crowd dispersed and students went to block routes near Gate 3, where the motorcades were supposed to leave. But police determined that the exit through Gate 6 at Northwest Marine Drive was the best route because it had the fewest protesters—only 25 students. Just before 4 p.m., police came in and pepper-sprayed the students out of the way. "I didn't intend to find myself," Staff Sgt. Mark Stewart is heard shouting in a videotape of the incident. "I wanted to clear the road and I intend to clear it now."

By the end of the sunset, hundreds of people had been pepper-sprayed, one student bitten by a police dog, and at least 78 had been arrested. (All charges, except the one against Singh, were dropped after the conference had ended.) Police activities will now be monitored by the commission. "We are very much looking forward to all the facts coming out," says RCMP Sgt. Russ Gribble. "People who are able to have a much clearer understanding of what happened at APEC." But some students, such as Jones, have become radicalized by the experience. "Up until now, I never would have doubted a police officer," Jones says. "Now, I see their badge as a matter of routine, as a reflex, and it is really disturbing." Last week, he launched a class action suit against Prime Minister Jean Chrétien, Anwarby and others, saying they conspired against constitutional rights and freedoms by provoking "peaceful and lawful public assembly where rights and freedoms that Jones and the other students are determined never to lose again." □

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CANADA

No life in the party

Last week was crunch time for the five candidates who envision themselves leading the Progressive Conservative Party of Canada into the next millennium. The deadline for signing up new party members was Sept. 28, and the various campaigns spent the final hours in a frantic push to hook as many of the \$16 party cards as possible. In Toronto, David Orchard's campaign headquarters took on the frenzied atmosphere of a stock market trading floor. Sleep-deprived volunteers, their voices hoarse, tapped into telephones trying desperately to recruit new members willing to pay by cheque, money order or even credit card. Working in rooms littered with pizza boxes, they punched names into computers and swept up newly signed membership forms spilling out of fax machines. And from Joe Clark's campaign office, there was a parade to party headquarters downtown, where buses containing the names of new members were loaded in just before the midnight cutoff.

But the backroom activity masked the underlying reality—the leadership race to replace Jean Charest has so far failed to stir the imagination of Tories, let alone Canadians at large. Except for former prime minister Clark, who, for better or worse, has been a household name for more than two decades, none of the candidates has a national profile. And party insiders acknowledge that the final

Frustrated Tories are blaming the voting process

Clark (above)
Segal: Inactive



membership tally—which will not be made public until Oct. 10—in all probability reached as recently as the 1997 election, when the party won just 26 seats. "This campaign has opened up the curtain," lamented a strategist for Manitoba leadership aspirant Brian Pallister, "and shown that the body made is just barely warm."

The Tories had been counting on getting a "boost" from the leadership race to revive their fortunes, and many have fingered a scapegoat: the new rules for selecting a leader. Instead of an old-style delegate selection process culminating in the drama of a convention, the party adopted in 1996 a process that gives each member a vote in their riding—but all 361 federal ridings are all-or-none 100 elections

votes, which are divided proportionally among the candidates. (Balloting will take place on Oct. 26. If no candidate collects more than 50 per cent of the vote, there will be a runoff ballot on Nov. 14.) The new rules were made with an eye to 2000, creating the party, and ensuring that the 1993 campaign, in which the party establishment stampeded to embrace Jim Campbell, would not be repeated.

Instead, the Tories condemned themselves to a jacobinistic and novelty process. It has forced campaigns itself to become political telemarketers. Clark workers, for example, claim to have had some success by identifying polls within ridings where the Tories did well in the last general election and making cold calls to voters. But all camps acknowledge it has been a hard slog to recruit former members, let alone sign up new ones. "It was a well motivated attempt to modernize the process," says Darrell Baker of the Angus Reid polling firm, who was once director of research in former Conservative prime minister Brian Mulroney's office. "But it has turned into a suicide pact for the party." Party activists agree. "This race is deadlier than a doorknob," cautions one Tory senator.

For strategic reasons, no camp wanted to be too specific last week about how many members it had recruited. But opinions for Clark, the acknowledged front-runner, say they signed up a minimum of 20,000 supporters, which hardly seems enough to propel him to the first-ballot victory he hoped for. All we hear party strategist Hugh Segal's team will confirm is that their campaign signed up a total of 5,000 voters in the province of Quebec. Montreal lawyer Michael Fortier has recruited 6,000, almost all of them in Quebec, according to his advisers. And Axel Wahl, a spokesman for Pallister, says his candidate managed to enlist 5,000 members within Manitoba alone, though support for the former provincial cabinet minister is not expected to be significant outside his home province. Tory membership rolls would have remained even lower but for Saskatchewan former David Orchard's quixotic campaign. Orchard's organizers now estimate they have recruited as many as 12,000 new members—haughtily to the party by Orchard's decidedly no-Tory anti-free-trade campaign.

Now, the party brass is trying to work out a deal with the television networks which would give the candidates a last chance to try to stir up excitement with speeches on Oct. 23. But even if that happens, the Tories have missed a chance to remind all Canadians of their role in the country's political life. And for a fifth place party fighting for survival, that could be a total miscalculation.

JOHN DEMONT in Ottawa



nautica

Besieged by stress

In April, 1994, nearly a year after arriving in Africa, Maj. Gen. Roméo Dallaire found himself a seemingly helpless soldier caught in one of human history's darkest moments. As commander of the United Nations' feeble peacekeeping mission in Rwanda, Dallaire and his troops were witnessing some of the most horrific scenes of slaughter the world had seen in decades. Denied reinforcements by his superiors at UN headquarters in New York City, the 5,000 troops could only watch as more than 800,000 Rwandans—mostly ethnic Tutsi—were hacked or shot to death. Ten Belgian peacekeepers under Dallaire's command were also murdered, and questions about whether these bloody events of 1994 could have been averted still haunt those involved.

Controversy has followed the Canadian general home. Greeted at first as a hero who did his best despite being outnumbered to overwhelming odds, Dallaire has been pursued by the families of the dead Belgians, who triggered a Belgian parliamentary inquiry into his role in their deaths. He also encountered criticism from fellow Canadian officers who mistrusted that Dallaire's admitted willingness to talk openly about the trauma of his Central African nightmare was a sign he was unable to let go. The pressure culminated last week in an order from Chief of Defence Staff Gen. Maurice Baril that Dallaire take a month of stress-related leave from his current post of permanent chief of army headquarters. Before departing, Dallaire sent an e-mail to subordinates, telling them "It has been assessed essential that I recharge my batteries due to a number of factors, not the least being the impact of my operational experiences [Rwanda 1994] on my health."

Friends who Dallaire is expected to return to duty, along with some officers speculate that his e-mail's undertone to those under his command—"Don't withdraw don't surrender, don't give up"—read like a rallying cry. But the notoriety surrounding Dallaire's personal battle with emotional

distress, for which he has received medical treatment, has focused unprecedented attention in the Canadian military on the condition known as post-traumatic stress disorder—and its effects on peacekeeping troops who have had to deal with the horrors of Somalia, Bosnia and Croatia, as well as Rwanda, in the last decade.

This week, Gen. Baril will be adding his comments to an unprecedented 30-minute

The horrors of Rwanda haunt a general



Dallaire focuses attention on a widespread problem in the military

video of Rwandan veterans describing their emotional reactions to their experiences. The video, authored by Dallaire earlier this year, is aimed at preparing soldiers for the horrors they may live in areas of potential crisis. Dallaire gave the project to Maj. Sophie Grenier, who spent more than nine months in the tiny African nation. Grenier says he and his comrades went in to a state of shock after seeing countless corpses—including those of women hacked to death while cleaning in their children. "The dark side of humanized is very difficult to face," says Grenier. "It's tough to talk about because you feel totally helpless and useless. But the way to deal with the difficulties is by speaking about it."

Acceptance of the psychological problems experienced by soldiers has been a long time coming. During the First World War, many were ostracized for shell shock and other post-traumatic stress. Attitudes were less severe in the Second World War, and in the last 50 years they have changed dramatically—largely because of the American experience in Vietnam. But despite the acknowledgement of the problem, there's only undertaken concerted efforts for a treatment program in 1994. Maj. Randy Boddien, a psychiatrist and now the clinical specialist adviser to the surgeon general, has been instrumental in heightening awareness of post-traumatic stress disorder. This year, he expanded the original program to include two weeks of de-hospitalized treatment at the military's Health Care Centre in Ottawa, followed by six months of group therapy. "We're trying to learn as we go," says Boddien.

But, he adds, the military remains bent by a "teacher's mindset. The doctor aspect is often impossible to convince soldiers to seek help now. The fact that Dallaire, a senior officer who need make no apologies for his courage under fire, underwent similar treatment has been instrumental in getting the new process approved.

Other countries face the problem as well. Last month, a NATO meeting in Berlin dealt with the topic and the alliance is preparing a report expected to focus on how to prepare soldiers to witness calamity. "There is a natural pride of tough soldiers and they believe they have the ability to take whatever comes," says Col. Jim Stokely, a U.S. army psychiatrist based in Texas. "Then more wars and disasters during these crises and feel cowardly. They've got to know that things like that are a part of life for some people."

The Canadian videotape is expected to be put into use in mid-October. In one scene, a soldier asks while describing his feelings when he first encountered seemingly countless bodies of massacred children. "This is very tough to watch," one officer who has seen the video told Meleah. But as long as Ottawa remains keen on convincing troops to face missions in unstable places, Dallaire may have helped spark a consciousness that Canadian soldiers should at least go on with their eyes open.

ELISE FISHBEIN in Ottawa



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Enter the fixer

Germany's new chancellor is pragmatic—and ruthless

The cantankerous, typical for the times, he abruptly ended a meeting at 5:30 in the morning. It came from the break; young man, a self-described "casualist Marxist" by the name of Gerhard Schröder, who had recently been elected leader of Germany's Young Socialists, the youth wing of the Social Democratic Party. And it was sent to Gerolf Preuss, then, as now, managing director of the largest employers' organization in the north German state of Lower Saxony. "They wanted to talk about night shifts in the factories," smiles Preuss, recalling the early morning conference 20 years ago. "But I don't think they really expected me to show up, especially in a suit and tie. Everybody else wore jeans. And when it was all over, Schröder took me aside, congratulated me on my courage, and said he'd like to talk with me again."

The two have been meeting regularly ever since, all the way along the remarkable path that Schröder has followed in transforming himself from youthful leftist firebrand to chancellor-elect of Germany. When he won election last week, topping Helmut Kohl from the throne he occupied for the past 36 years, Schröder was instantly catapulted into the first ranks of global political figures as leader of Europe's most populous nation and the world's third-largest economy. Previously little he measured the left is still a subject of heated debate, as is the course Germany is likely to take with Schröder at the helm. But there is the suggestion of an answer to both those questions in his behavior on that morning long ago. "He may like to play the part of the rebel," says Preuss, "but there has never been an ideological bone in Schröder's body, not even during his Marxist days. He's a doer, a problem-solver, an pragmatist in as it is possible to be, always prepared to listen, always prepared to talk."

Seems like, in fact, that Germany's 81 million people may still know more about their new leader's four marriages than his fundamental beliefs, even if voters were confident enough in his abilities to lead him an unexpectedly easy victory. Schröder's Social Democratic Party, or SPD, captured 43.6 per cent of the vote, winning 298 seats in the 66-seat Bundestag. Kohl's Christian Democratic Union managed only 35.2 per cent, for 245 seats, and Kohl said he would step down as its chief. While still short of a majority, Schröder appeared well on the way to solving the problem when he opened negotiations last Friday with the environmental Greens, third-largest party in the Bundestag with 47 seats. If the talks result, as is widely expected, in what the Germans call a "red-green" coalition, Schröder will command a comfortable 21-seat majority and be able to succeed Kohl by about mid-October.

When he does, modern Germany will for the first time have an occupant of the chancellery's office with no memory of the Second World War, thereby free of all the inevitable constraints wrought by that trauma. Schröder was an infant in Mönchengladbach, a small town in Lower Saxony (not far from the state capital of Hannover, when the

BARRY CALME
IN HANNOVER

war ended in 1945. He was born in April, 1954, weeks after his father, Fritz, an army corporal, was killed in Romania fighting the Russians. His mother, Inka, now 46, struggled to raise five children in desperate conditions. In the immediate postwar years, she managed to eke out a living as a cleaning lady at a British army barracks. But the family was so poor that young Gerhard was forced to leave school at 14 to work as a trainee salesman in a porcelain shop. "He knows where he comes from," says Heinz-Bernhard Witt, president of the Lower Saxony branch of the German Trade Union Federation. "It's probably the main reason why he has clearly shown that, when the situation's critical, he always stands on the side of the workers."

While helping to support his family, Schröder studied at night school, eventually earning a law degree from the University of Göttingen. Upon graduation, he quickly moved into left-wing politics, winning a reputation in the courtroom for defending Red Army Faction terrorist Harro Mahler and another reputation outside the courtroom as one of former SPD chancellor Willy Brandt's bright young men. By 2003, Schröder was leader of the Young Socialists and an avowed Marxist, organizing street demonstrations against the United States and the deployment of NATO-sponsored mechanized nuclear missiles in Germany. In 1980, he was elected on a leftist SPD ticket to the Bundestag in Bonn.

EUROPE'S LEFTWARD SHIFT

In the past two years, voters in Western Europe's four largest countries have tossed out conservative governments in favor of left-of-center administrations. **Italy's largest** SPD is now the only member of the 15-nation European Union with a newly right-wing government, elected in 1995.

Country	Population	Type of government	Changed from
Germany	81 million	Social democratic	1990
Britain	58 million	Social democratic	1997
France	58 million	Socialist	1997
Italy	57 million	Center-right	1995

Not long after that election, Schröder was caught in a revealing incident that is often cited as evidence of his youthful ardor. After a night drinking with friends, the future chancellor happened to wander by the offices occupied by then-Chancellor Helmut Schmidt. Schröder clambered up the stairs gone outside the office and bang there. "I want to get in here," he shouted, shaking the man bars, until the police arrived and ordered him to move along.

As he rose in politics, Schröder gradually began to drift toward the center, abandoning the leftist ideological coloring that, according to acquaintances like Preuss, was never much more than camouflage anyway. Significantly, he was one of the few young SPD members who refused to abandon Schmidt when his government fell in



Schröder and wife Hilke, voters knew more about his four marriages than his fundamental beliefs

1982, a door that was rumored during the recent election campaign when Schröder became the first SPD candidate to win Schröder's endorsement since the former chancellor left politics.

It was not until 1990 that Schröder's final transformation as a politician of the center took hold. That occurred when he won election as premier of the state govern ment in his native Lower Saxony, serving as head of the same kind of red-green coalition he is now constructing on the national scene. It might never have succeeded in Lower Saxony, however, had it not been for the mercurial assistance of his third wife, Hilbrud, better known among

chimed Schröder was as stressed for most in Hilke's wedding. Hilke was he frequently tried to stop at roadside stalls peddling nuremberg—sausages sprinkled with curry and dressed in ketchup, as ubiquitous in Germany as the building in North America.

In the end, it was Schröder who won the public relations battle, hardening an obstacle that might have impeded his ascent for the chancellery. His dream from Hilke was finalized in September of last year. Three weeks later, he married Hilke. The Christian Democrats attempted to exploit Schröder's four marriages during the recently concluded election campaign,

Germans by the divisive "Hilla." An attractive, willowy environmentalist, vegetarian and animal-rights activist, Hilke served as Schröder's bridge to the junior partners in his coalition government, the Greens. "She gave him the credibility he needed among the tree huggers and their friends," confides one of Schröder's political associates in Hannover, requesting anonymity. "They became pretty famous, not only around here but right across Germany. The media dubbed them the 'Clowns of Hannover'."

Small wonder, then, that Schröder's national political ambitions nearly foundered in 1990, when his marriage to Hilke suffered a spectacular collapse. He left his wife, then 37, and her two daughters by a previous marriage for Doris Köpfer, a 30-year-old re-wedding writer and single mother of a five-year-old daughter. Hilke's first reason was to her her estranged husband from the family home in Hannover. Soon, she was appearing on television and in newspaper interviews, describing her former state as a "tossingly sad episode, opportunities" who had not only betrayed her but also has own political convictions about the dangers of nuclear energy, the need for environmental protection and a host of other ecologically oriented issues. Finally, Hilke published a tell-all book, *On My Own First "Vor Gerol"*, says Schröder's political associate, using the nickname favored by his intimate friends. "It all could have been very damaging."

The fact that it was not even enough to another of Schröder's tests—his rudeness. Even before Hilke began broadcasting the couple's wars, Schröder and his entourage were carefully looking them to the media that portrayed his third wife as something of a free-spirited, hard-core, constantly interrupting cabinet meetings with demands for action to save endangered species, pestering her husband at home with lectures about the rainforest. There was even one judiciously told story that

WORLD

among posters and T-shirts bearing the slogan "Three women can't be wrong." But the situation faded, perhaps because Schröder himself betrayed an reluctance to discuss his marital arrangements. "It's a closed topic," he stated with reporters on one celebrated occasion. "I only swap wives every 12 years, but I'm faithful in between." At which point, Diers acidly chimed in: "Next time, you'll need somebody to push your wheelchair."

Before that occurs, Schröder has other priorities. At the top of his agenda are the the age-old strains with the Greens as a red-green coalition solid enough to govern for the next four years. The process, expected to take at least two weeks, is not going to be easy. But when it is completed, it is likely to bring two, perhaps three, Greens into Schröder's 18-member cabinet. Chief among these will be the Greens' parliamentary leader, Juchas Wülfing, who is almost certain to be appointed foreign minister. In return for a share in power, the Greens will no doubt be required to blunt some of their more extreme demands, such as their call for an immediate closure of the 19 nuclear power stations that supply roughly one-third of Germany's electricity.

Even if the Greens' wishes are muted, Germany under Schröder is clearly going to be a different place than it was under Kohl. In larger sense, however, Germany's voters merely followed a Europe-wide trend to the left. Ten of the European Union's 15 government chiefs are now either social democrats or socialists. Including those in Britain, France and Italy—a dramatic reversal of the situation in the early 1990s. The remainder are essentially centrist except for Spain's Rodrigo Rato, who heads the only government that is staunchly conservative.

What all of this means has provoked much agonized discussion, particularly among the advocates of unchecked international markets. For (there is one issue on which most of Europe's leftist governments agree, it is the need for some form of state regulation to curb the excesses of free-market capitalism. Schröder said as much last week during a visit to Paris, his first trip since winning election, when he called for a reorchestrating of the global financial system. He delivered his remarks in the presence of French Prime Minister Lionel Jospin, a committed socialist who has strenuously denied capitalism as "a force that moves, but which does not know where it is heading." Jospin is one of those who think the time is right to "civilize" capitalism. Other key leaders, including British Prime Minister Tony Blair and U.S. President Bill Clinton, concede to varying degrees to the power call of "The World Is Flat." With Germany's new chancellor adding his powerful voice to the chorus, the country's voters may have engineered a turning point not only in German affairs, but in global thinking.

With REGINA WROSTEN in Münster

THE GREENS COME OF AGE

His arrival in German politics was anything but suspicious, certainly not the kind of debut expected of a future foreign minister. On his first day in the Bundestag in Bonn 15 years ago, Joschka Fischer showed up wearing blue jeans and soiled white sneakers. The newly elected parliamentarian, then 35, quickly won the enmity of his fellow legislators by describing them as "an unbelievable gathering of alcoholics" (translated in a chamber "spritzing of glass and schnapps.") And when he was called to task and ordered

once negotiations are complete, Fischer is likely to be appointed Germany's new foreign minister.

That concept has needed plenty of eye-rolling among Germany's allies. Despite Fischer's status as one of the country's most charismatic political figures, his party remains a loose cannon. The Greens, in fact, came close to self-destructing in the recent election campaign by advocating the abolition of NATO. The withdrawal of national troops from the Bosnia peacekeeping mission, the hiking of gasoline prices for German-bound automobiles and punitive taxes on sun-earners' charter flights. The Greens' poll ratings quickly plummeted by half, to six per cent from 12. On election day, the party won 6.7 per cent of the vote, still enough to emerge as the third-largest in the Bundestag with 47 seats.

"To an outsider, we might sometimes appear to be chaotic," admits Michael Pelke, director of the Greens' political organization in Lower Saxony, Schröder's native state. "But our senior leadership across the board is very professional." That is no doubt true. Fischer, for one, is widely acknowledged to be one of the most effective members in the Bundestag. The problem is the Greens are constantly torn by factional feuding between the Aesels—the fundamentalists intent on closely adhering to the party's original motto—and the realists—the realists like Fischer who want to be, as he recently remarked, "members of a reforming party rather than advocates of pure opposition to the system."

Even Fischer, however, is sometimes haunted by his radical past, as happened early in September when French police captured fugitive former German terrorist Hans-Joachim Klein. Klein, now 50, took part in the 1975 kidnapping in Bonn of oil ministers from the Organization of Petroleum Exporting Countries—an attack that resulted in three deaths and was organized by Rudi Dierckx, better known as Carlos. Fischer, as his opponents were quick to remind voters, once shared a house with Klein. The Green leader, in fact, was investigated by police in 1973 after a car he said he loaned Klein was discovered with a trunkload of arms robbed from a U.S. army base. Fischer strenuously denies he ever engaged in terrorist activity. "I never made a secret of my past," he told German media. "I know that I did nothing." All the same, curious credentials for the presumed foreign minister of a key member of NATO.

Fischer: not in blue jeans and T-shirts for the glitz of a foreign minister

to apologize by the Bundestag's Speaker, he fairly replied: "With respect, Mr. President, you are an asshole."

Fischer has changed considerably since that day in 1960, almost as much as the political force he represents. Germany's Greens were not then really a political party, but rather an uneasy coalition of militant environmentalists, pacifists, feminists, socialists and communists. Today, however, for the first time in their short but noisy history, the Greens stand on the brink of national power, poised to become junior partners in chancellor-elect Gerhard Schröder's coalition government. And if that comes to pass, Fischer, the Greens' parliamentary leader, may soon have to don diplomatic spectacles in place of the jeans and black T-shirts he still favors. Schröder has already made it clear that

BARPI CARRE with RPR in Münster

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WORLD YUGOSLAVIA

Last days of terror

Massacres in Kosovo provoke new NATO threats

In the ethnic Albanian hill village of Vresnic in Kosovo, charred ruins of pulled-down houses were still smoldering. Villagers searched for their possessions in a chilling column of burnt-out and trashed tractors, trailers and cars. Old women, weeping, held their breasts as they identified the remains of five men. And as foreign reporters and international officials—including members of the UN war crimes tribunal at The Hague—began investigations, survivors in Vresnic and other towns in Serbia's angry southern province told of a horrific reign of terror by Serbian police in the final days of a sweeping offensive against the separatist Kosovo Liberation Army. Belgrade finally called a halt to the operation on Sept. 28, but last week's grisly tales provoked NATO donors to overdo punishing air strikes on Yugoslavia.

Vresnic had been a final refuge for thousands of villagers fleeing the advancing government forces. More than 500 children and home-dwelling carts were backed up along a dirt track leading far into the village. Following their usual pattern, the Serbian artillery began firing to subvert resistance and expel all inhabitants before ground troops and armored vehicles moved in. Terrified men, women and children fled into nearby forests but were surrounded. Told by police that "it was safe to come back down to the village and with little other choice," they started up their columns and headed slowly into Vresnic.

Then, the next night began. Villagers described how police separated several

hundred men from the women and children. Adult Kaljane, 22, and three men were dragged away into the trees and killed. Foreign reporters saw the corpses in the grounds of the local mosque. Two men had lost faces, their arms and noses sliced off. The remaining prisoners were forced to build up three dragons in the Serbian national style and shoot "Serbia, Serbia" before being taken to a prison in the town of Prizen. "They beat us out by ear and gave us electric shocks," said Kaljane. "They asked: 'Are you KLA?'"

After 48 hours with no food, about 200 men were released while the rest were sent detained. Those from Vresnic returned to their homes. "We were told if you don't surrender your weapons within 10 days then your village will be destroyed," Kaljane recounted. In Vresnic, police torched or trashed the columns of vehicles. One villager held a scorching warning sign: next to a wall, where a small green tent once could be seen under some rocks.

While the men were taken away, the women and children were herded into the local school and kept there overnight. Police took many of them in trucks to the nearby town of Sava Beba where they found shelter with local residents. Marica, 25, was among women and children caught by police at night as they huddled around their campfire on the wooded slopes. "Police took the prettiest girls away," she said. "It was dark. I heard screaming." Mirica thought up to 50 women were dragged off. Police

were drunk and forced the women to dance with them. "They put knives in our throats and told us to say where the KLA were or they would come back and kill us," she recalled. Listening to her second, other villagers whispered that she may have been raped but her honor would never allow an Albanian woman to say so.

According to villagers, some police were brutalized, black boots and camouflage pants. Diplomats said special units were believed responsible for a series of atrocities in Kosovo, committed with the intention of terrorizing civilians into breaking their links with the KLA. The same weekend of Sept. 26 and 27 the pattern of atrocities was repeated in several other villages. 13 news crews and reporters and well over 100 people may have perished. In the woods around the central village of Goraz Obic, Western journalists found the bodies of 10 men, six women and four children. The youngest, Veljko Djokic, was 18 months old. Most had been shot at close range in the back of their heads or had their throats cut.

In nearby Golebunar, the sole survivor of an alleged execution of 33 of 34 men told Maslovic that police had separated men from women and children and taken them to a farmstead. There they were beaten and stabbed with farm implements, then sprayed with machine-gun fire. He was shot in the arm and leg but survived by pretending to be dead. Bloodstains on the ground and on farm tools, and many bullet shells, appeared to back up his account.

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Officials in Yugoslav President Slobodan Milosevic's government either denied the massacres took place or blamed the deaths on the KLA. The United Nations took a different view, however. The Security Council condemned the atrocities and issued a crucial report on the situation from Secretary General Kofi Annan. NATO planning was in its final stages. The major dispute was in Belgrade and Kosovo were still skeptical that NATO would carry out its threat of missile and air strikes to stop the conflict, given that the government had announced a cessation of hostilities. By midweek, Kosovo was relatively calm, and there were the first credible signs of a substantial troop withdrawal. "Slobo [Milosevic] was very calm and he kept his arms tucked," said an embassy official.

Should the village burning and killings resume, NATO sources said, U.S. missiles will strike at selected military targets—a low at first and then progress slowly accounting until Belgrade complies. But whatever military scenarios plays out, the human tragedy will be stark. How many what he calls a "secret police" operation against women involved with Chlois. Sidney Hammarstad, a senior White House adviser, provides the most creative explanation for the Lewinsky connection. In his account to the grand jury, Hammarstad says Hillary Clinton said his wife's husband was being unfairly attacked for "his minority in a troubled person," something he doesn't "out of religious

WORLD UNITED STATES

The Tripp trail

Congress releases a last burst of tawdry detail

By wires from the Washington Post staff

ANDREW PHILLIPS
IN WASHINGTON

Monica Lewinsky is showing a bewilderment and this with her friend Laila Tripp in a suburban Washington hotel. It is Jan. 13 and unbeknownst to Lewinsky, Tripp is wearing a concealed microphone and each conversation is being recorded by FBI agents. At one point, Lewinsky says she is planning to reveal that she never had sex with Bill Clinton. The meticulously compiled evidence collected by independent counsel Kenneth Starr details the conversation that followed.

Tripp: What is the definition of sex?

Lewinsky: Intercourse... I never had intercourse. I did not have a sexual relationship.

Tripp: Oh, we've been around here too long. And on and on and on, for three volumes and a total of 4,619 pages. The final load of testimony, transcripts, notes, phone logs and photographs made public last week by the House of Representatives committee looking into the Clinton-Lewinsky coupling adds little more than details and waxes to a story in which all too much is known. Lewinsky's conversation with Tripp shows that the onetime White House intern, though mourning the end of her relationship with the President, had come to share his disingenuous definition of what constitutes "sexual relations" and the end of Lewinsky's performance on October 10, 1998.

Lewinsky argues Tripp to let about her and Clinton, saying "Telling the truth could get you in trouble. I don't know why you would want to do that." And it shows her alternately shocked at being dumped by Clinton and worried she might suffer retaliation from all friends around her. "I wouldn't cross these people for fear of my life," she tells Tripp.

Not a pretty picture—of any of the parties present in the scandal that has paralyzed Clinton's presidency. And it doesn't get any better. Dick Morris, the President's longtime political strategist, tells Starr's grand jury that White House counsel who he calls a "secret police" operation against women involved with Clinton. Sidney Hammarstad, a senior White House adviser, provides the most creative explanation for the Lewinsky connection. In his account to the grand jury, Hammarstad says Hillary Clinton said his wife's husband was being unfairly attacked for "his minority in a troubled person," something he doesn't "out of religious

conviction and personal temperament." And Lewinsky, in a phone conversation that Tripp recorded, quotes Clinton as "telling me every day except for my work, and it's a 1-2 obsession." Tripp responds: "He said that?" To which Lewinsky says: "Right. And then I said, 'Well, don't you get any warmth and do it from your wife?'" Tripp: "You didn't." Lewinsky: "I did. He said, 'Of course I do.'"



Clinton Lewinsky and aide asked, 'Don't you get any warmth and do it from your wife?'

All that would be nothing but low grade titillation of the stakes were not so high. Starr contends that the report he sent to Congress on Sept. 8 along with last week's supporting report and testimony—two years—political taking expedition.

The Democrats were sure to lose a vote on their proposal in the judiciary committee. But putting it forward will help them in their attempt to pass the impending impeachment inquiry as simply a partisan dispute between Clinton and Starr, in turn, will make it easier for the Democrats to maintain party discipline when the full House votes on whether to go ahead with an inquiry that will most be held by Friday, Oct. 9, when Congress is set to adjourn so that members can go home to campaign for midterm elections on Nov. 3. Only then will they find out how sure how American voters feel about the scandal they have heard much too much about. □

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World NOTES

STAVING OFF CHAOS

The U.S. Congress voted to postpone until Oct. 15 a measure that could cause traffic gridlock at Canada-U.S. border points. The law, requiring airport-style immigration checks for everyone entering the United States at land crossings, was due to go into effect on Sept. 30. The Senate earlier voted to repeal the controversial section, but the House has so far refused. Both chambers voted to continue discussions.

MIDEAST PROGRESS

Prospects for Middle East peace brightened after President Bill Clinton hosted a White House news summit with Israeli Prime Minister Benjamin Netanyahu and Palestinian leader Yasser Arafat. Arafat later said he had accepted a plan for a long-delayed Israeli troop withdrawal from part of the West Bank and pledged to try to sway Israeli's security concerns about terrorism from radical Palestinians. The three hoped to sign a new pact at a full summit in Washington in mid-October.

MECIAR BOWS OUT

Slovakia's authoritarian prime minister, Vladimir Meciar, said he would step down after his ruling coalition fared poorly in national elections. Although his own party won the greatest share of votes—27 per cent—its opposition alliance was expected to form the next government when parliament convenes on Oct. 26.

SRI LANKA CARNAGE

Fierce battles between the military and separatist Tamil Tiger guerrillas in northern Sri Lanka left more than 1,200 fighters dead. The two sides were struggling for control of a key highway linking the main northern town of Jaffna with the south. Journalists were barred from the area, and military censors kept full details from emerging.

NERVE GAS CARDO

Ireland confirmed a Dutch newspaper report that a Tel Aviv-bound El Al cargo plane was carrying a key component of nerve gas when it crashed into an Amsterdam apartment block in 1992, killing 63 people. A spokesman said the material was antitank and was to have been used to test filters that protect against chemical weapons. Dutch officials launched an investigation.



Forcing Mahathir to step down, Anwar exerts court (right) pressure

A bruising experience for Anwar Ibrahim

Anwar Ibrahim's fall from grace has been swift and brutal, judging from his appearance in a small, crowded courtroom in the Malaysian capital of Kuala Lumpur last week. The 38-year-old former deputy prime minister was fired Sept. 3 by his arch-rival prime minister, Prime Minister Mahatir Mohamad, heading off anti-government protests and a serious political crisis in the Southeast Asian country. He was arrested at his Kuala Lumpur home 18 days later and appeared briefly in court on Sept. 28 to be indicted on new charges of corruption and sexual harassment, including homosexual sodomy. His supporters, including his wife, say the allegations are baseless. Anwar, who had a black eye and bruises on his neck and arms, pleaded not guilty and accused the police of beating him. "I was blindfolded and handcuffed," he said. "I was bowed very hard on the right of my head and they hit me on the left side

of my neck very hard. I was then slapped very hard left and right until blood came out from my nose and my lips cracked."

The dispute with the 78-year-old prime minister, who has ruled Malaysia for 17 years, began when the Asian economic crisis sent the country's economy into recession. Anwar, also a finance minister, was dismissed after he opposed Mahathir's decision to increase emergency spending. Hosting a meeting of Government-linked 50 member ministers in Ottawa, Canada's Paul Martin called for the release of Anwar, who became a personal friend over several economic summits. Martin also tried to reach him in jail. "I have been unsuccessful," he said, adding "My thoughts and prayers are certainly with him."



Close call in Australia

Austrian Prime Minister John H. Nowak won a narrow election in a campaign that featured his promise of substantial tax cuts funded by a controversial new GST, pegged at 10 per cent. The Labor opposition, which promised even modest tax cuts without a GST, necked it down to a narrow margin, winning narrowly from two dozen rivals to less than 10 in the 348-member Australian House of

Representatives. With first results due later this week, the often turbulent, right-wing One Nation Party appeared to be shut out. Party leader Pauline Hanson lost her seat in suburban Brisbane and One Nation was projected to receive just eight per cent of the vote. Hanson's victory also promises earlier this year when his promise to freeze Asian immigration and reduce welfare payments to Aboriginals helped her party win nearly one-quarter of the vote in a state election.



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Living on the streets in Indonesia: millions of people in poverty

IMF bailouts may be needed to head off global recession

ident Bill Clinton and British Prime Minister Tony Blair have called for a new global pact to re-create them. Still, the U.S. Congress has refused to approve \$18 billion in additional IMF lending. Meanwhile, Mexico has compiled a six-point proposal to reform the world's financial system—including a coordinated interest rate cut by the central banks of the G-7 countries and a provision that would allow troubled nations to use short-term currency controls to curb the flight of capital. "We have this increasingly turbulent world of financial flows and crises and contagion—but the institutional arrangements are still based on the old state," says Sylvia Ostry, distinguished research fellow at the University of Toronto's Centre for International Studies. "The anxiety is moving so fast that the IMF can't really prevent a crisis or attach a crisis."

The pressures are IMF—and the stakes for Canada—are mounting with each passing day. There is widespread fear that if the upcoming Brazilian loan package does not soothe investor fears, the contagion will devastate other South American economies, ending markets for U.S. exports—and thus damaging the economy of Canada's major customer. Last week, the U.S. Federal Reserve Board belatedly lowered interest rates by a mere quarter of a percentage point in what was criticized as a halfhearted attempt to keep the global economy expanding. The Bank of Canada promptly followed with an identical reduction, bringing the prime lending rate to 5.75 per cent. It was not enough to turn the tide. The Canadian dollar, which had been rebounding, reversed course, falling from 66.12 cents U.S. on Monday to close Fri-

day at 64.73 cents (U.S.). The loonie's plummet also reflected fears that the economy is still contracting after a upturn led by 0.2 per cent in July.

The spectre of a global recession and falling corporate earnings triggered a worldwide sell-off of stocks. The Toronto Stock Exchange 300 composite index ended its worst quarter in record and a new low, almost 20 per cent from its April high of 7,339.35. And the blue-chip Dow Jones Industrial Average is down almost 37 per cent from its high of 9,357.95 that it set in July. "The global economy is slowing—and both the U.S. and Canadian economies are slowing," said Ted Cernachuk, head of research at P. Morgan Canada. "With sharp declines in the dollar and the stock market, consumers and businesses are going to cool their spending. Lower interest rates will be needed."

The fear of global crisis—and the desperate need for a solution—are now palpable and powerful. Since Thailand

devalued its currency in July 1997, investors have fled markets in Asia, Russia and Latin America, triggering runs on central banks, wiping out decades of hard-won prosperity for billions of workers and people. The International Labor Organization estimates that the crisis in Asia alone could throw as many as 30 million people out of work by the end of this year. Another United Nations agency, UNCTAD, estimates that the Asian financial crisis will cost about 100 million in lost output this year. It adds that growing child malnutrition and declining school attendance mean that the crisis "will spill over into future generations."

Such statistics have caused fear that every aspect of the IMF's conduct

U.S. Federal Reserve Board chairman Alan Greenspan: a small cut, but more to come



Storm warnings

BY MARY JANIGAN

The sheer scope of the financial calamity has become almost too large to grasp. In Russia, the Red Cross has launched an emergency appeal, warning that the nation faces mass starvation. In Brazil, the International Monetary Fund is combining together an emergency one-billion-dollar package of loans to shore up the nation's reserves—and to protect other imperilled South American markets. In the United States, private financial institutions are bailing out a rogue hedge fund, Long-Term Capital Management LP, which has lost billions of dollars in high-risk deals. And in Canada, investors are reeling at the news that the economy shrank for the fourth consecutive month, raising fears that Canada and the world are drifting into the worst financial crisis since 1929. "We are not immune from the global storm," Finance Minister Paul Martin insisted in an interview with *Maclean's* last week.

"But the underlying strength of the Canadian economy has remained dramatically. The economy of the United States continues to be strong. We don't have to panic."

Even so, panic seemed to sweep across the globe last week. Stock markets plunged and the economic storm clouds spread as did that world leaders scrambled to co-ordinate their rescue operations—and to overhaul the international organizations that are supposed to deliver the financial aid. The world economic hopes now appear to be focused squarely on the Washington-based IMF, which has pumped more than \$100 billion into the economies of nations ranging from Indonesia to Russia to South Korea over the last 15 months in an attempt to stave off a global recession. But, as representatives from its 180 member nations gather this week for the joint annual meeting of the boards of governors of the IMF and its sister organization, the World Bank, growing numbers of critics are insisting that the IMF has done little to control the financial meltdown—and may even have aggravated it.

To restore those institutions' battered credibility, both U.S. Pres-

BLUE-CHIP MELTDOWN

The winds of the financial hurricane battering world markets gusted into Canada again last week—battering two Canadian blue-chip companies. Newcourt Credit Group Inc. and Northern Telecom Ltd., both heavyweights in the Toronto Stock Exchange, saw the price of their shares plunge as troubled investors turned concerns over future earnings into a market rout. Fred Kitchin, managing director of equity trading at Scotia-McLeod Inc., said he doubts their shares would have fallen so sharply in a more stable environment. But, critically, as trust strains collapsed, both companies were holding meetings in the United States with investment analysts in an attempt to squish

growing doubts over their future profitability. "A lot of fund managers have developed a nervous twitch," joked Kitchin. "If you want to have an analysts meeting, you had better not have it in the United States."

In New York City, executives with Nortel, one of the world's largest makers of telecommunications equipment, were telling analysts that revenues in the third half of this year would be lower than expected, but they insisted the company would meet its profit forecasts. Almost before they had finished talking, however, the bottom fell out and Nortel shares dropped 21 per cent over the week before staging a modest recovery to \$48.00. Kevin Klimes, vice-president of equities for BNP Mutual Funds Inc. in Toronto, said that in addition to concerns about earnings, investors have been worried about whether Nortel can absorb Samba Class, Calif.-based

Bay Networks, a rival firm it purchased in August for \$1.4 billion. Newcourt, North America's second-largest corporate finance company, was also pummeled. Its shares tumbled 16 per cent in a single day and were down 32 per cent on the week, to \$30.75, as investors reacted to a swirl of negative rumors about the company—all of which were denied, to little effect. One wanted that Newcourt was having trouble financing its debt. Even worse, these new allegations hinted that the company was going to lose one of its best customers, Lacerat Technologies Inc., a giant U.S. telephone equipment manufacturer. Klimes isn't surprised by the volatility, noting that portfolio managers are saying "Let's sell the stock and ask questions later." And that difficult questions there will be more than enough to come.

IRVING KAPLAN

BUSINESS

is now the subject of frenetic debate. Last week, the global crisis—and the IMF's handling of it—preoccupied meetings of the 54 Commonwealth finance ministers in Ottawa and the G-7 finance ministers from Western industrial nations in Washington. While the Commonwealth ministers cautioned Martin, his counterparts in the G-7 were more guarded. Although Britain and the United States share Canada's view, it's not clear if other European nations, especially Germany, which are preoccupied with monetary union, will lower their interest rates in a concerted effort to foster growth. But Martin told *Maclean's* that it is critical that the IMF and the G-7 reach rapid agreement on Canada's approach, including lower rates.

"A lot of this is going to come to a head over the next couple of weeks," he said, adding that the IMF must evolve "in order to be part of the solution."

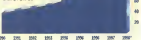
That evolution includes a change in its approach to global problems. In return for loans, the IMF has imposed a relatively inflexible prescription: higher interest rates to defend the currency—coupled with spending cuts and other tighter taxes to produce a balanced budget. It has also insisted upon major reforms of the recipient's institutional system. In Indonesia, it even specified the price of gasoline. In South Korea, it liberalized foreign investment protections and financial markets.

But those prescriptions paid scant attention to the fact that the economic problems of debtor nations are often deeply rooted in their society's structures—and the IMF cannot change those cultures overnight with single decrees. Last July, the IMF negotiated a \$24-billion package for Indonesia—and promptly advanced

RESCUING THE WORLD ECONOMY

Money owed to the International Monetary Fund (in billions)

*For the fiscal year ending April 30



\$7.4 billion in return for such promises as liberalizing trade barriers. In August, even lower taxes were collected than in previous months. Martin says, the \$7.4 billion evaporated within weeks—amid strong suspicion that it had flowed into private coffers. University of Toronto law professor Robert Howse, who is teaching a course on the IMF at the University of Michigan, cites Russia as the classic example of what the IMF does not understand. "If you don't have stable legal rules about who can tax whom, how can you collect money?" he asks. "Bureaucratic economists thought that you could have a functioning market economy without a lot of progress towards stable liberal-democratic institutions. They were wrong. And everybody has paid a very high price for that error."

Other critics suggest that IMF intervention has actually hurt the nations they set out to help. In Asia, government fiscal and monetary policies did not spark the current crisis as developed because local corporations and banks had borrowed excessive amounts of short-term capital from foreign institutions. When the confidence of those foreign banks wavered, they jacked up their interest rates

and dumped local currencies. To save those indebted multinationals, which were often run by their crosses, governments borrowed IMF funds to pay those debts and to defend their currencies. In return, the IMF demanded that they raise interest rates, cut social spending and overhaul their core institutional structures.

Such latter medicine has been so explicable and so promising to ordinary citizens that some officials are now taking drastic action to avoid IMF assistance. Last month, Malaysia imposed draconian currency controls, freezing its exchange rate—and restricting the ability to move money out of the country. Last week, hard pressed Brazil chose a similar, if milder, route—imposing short-term currency controls.

Perhaps the worst charge against the IMF is that it has actually alienated international leaders to believe that they would be bailed out—on those leaders' advanced excessive amounts of money to banks and corporations that were poorly regulated, inadequately monitored and often run by government cronies. As economist Allan Meltzer of Pittsburgh's Carnegie Mellon University told *Maclean's*: "The IMF lends money to a country to help its lenders and to—instead of making them take losses. There is room for the IMF as a true leader of last resort. But the IMF has supported policies that permit countries to go on binges—and then get bailed out."

Such criticisms have stung the IMF—and galvanized its members. The institution may endorse most aspects of Martin's viewpoint package—which represents a compromise between the needs of developed and developing countries. Under that plan, states would lower interest rates as an attempt to boost growth. The debt burden on developing nations would be cut to sustainable levels. Emerging nations would compose the goal of balanced budgets. Martin also wants IMF member states to review each other's financial sector supervision, including the state of each other's banks. Says a senior finance official: "We would be thrilled if the IMF endorsed a peer review mechanism to improve surveillance." And to ensure that the private sector shares the risk and pain of crises, IMF members could agree to an emergency standstill clause, which Martin calls a "cooling-off period." This provision would allow a country to suspend all payments on foreign debts for 90 days.

In the end, major change will not happen overnight. Wendy Dobson, director of the University of Toronto's Institute for International Business, says that such significant changes in its structure are made. The IMF must keep looking out country after country. "We are in the work of all worlds right now," she says. "We look to the IMF as the leader of last resort but we don't give it the funds to carry out that function. We have got to get to a world where its responsibilities and its funding are much clearer." This week's meeting may be the first small step along that road. □

AN ADVERTISING SUPPLEMENT TO THE OCTOBER 12, 1996, ISSUE OF *MACLEAN'S* MAGAZINE

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A Relationship That Matters



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You and your pharmacist:

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A relationship that matters

BY CAMILLA CORNELL

In cooperation with the Canadian Association of Drug Store Owners

A recent *Canada Health Monitor* survey asked pharmacists who had been diagnosed with a serious chronic condition how involved their pharmacist was in advising them on medications and health-care equipment. Four out of 10 respondents—who suffered from a range of ailments like high blood pressure, arthritis, rheumatism, heart trouble, asthma, lung disease, diabetes and cancer—said their pharmacist was "very involved." The same number said they would welcome an even more involved pharmacist.

That still means that six out of 10 people, however, are not taking full advantage of a highly trained and very accessible health-care professional. With at least one year of university training and an additional three to four years of specialized study, pharmacists have a detailed know-

A pharmacist who knows if you suffer from allergies and is aware of your health conditions can work with you if you are having problems with a particular medication, or provide a last line of defense against potentially lethal adverse drug reactions. As well, he or she can help you learn how to cope with chronic conditions that may, at first, seem overwhelming. With the restructuring of health services across Canada, it is a easy to fall between the cracks. But developing a relationship with your pharmacist can help; it truly is a relationship that matters.

"Non-compliance is probably one of the biggest challenges any pharmacist faces."



Four in 10 with selected chronic conditions report pharmacist "very involved"



Source: Canada Health Monitor

edge of the effect of drugs on the human body and the clinical use of drugs for disease prevention. What is more, they are close to the neighborhood drugstore and you do not have to make an appointment to see them.

Even if you are generally healthy, it pays to develop a relationship with your pharmacist. The 376 pharmacists who responded to a 1996 *Pharmacy Practice* magazine survey reported catching an average of 87 drug-related errors per week, ranging from patients who did not take their medication properly to patients actually taking the wrong drug. And a more recent analysis of hospital data by two Canadian researchers found that adverse drug reactions to properly

indicated, the cost to the health-care system of drugs being taken or prescribed inappropriately is conservatively estimated at \$7 to \$9 billion a year, according to the University of Toronto's Centre for Health Promotion. Even more chilling, an estimated 12,000 deaths a year can be attributed to patients failing to follow through on a course of medication or taking it incorrectly. "Non-compliance is probably one of the biggest challenges any pharmacist faces," says Todd Reid, a pharmacist with Canada Safeway in Calgary. "It's tough for a medication to work if you're not taking it."

Most people, of course, do not set out to be non-compliant. An elderly patient may be confused and have trouble keeping track of a number of different medications to be taken at different times. Others taking medicine once they are feeling a bit better, or give it up because of unpleasant side effects.

Reid tries to ensure his patients comply with his doctor's orders by initially showing just how important it is to take medication as prescribed. "You tell patients what it does and what are the implications of not taking it," he says. "You can't assume they've discussed all that with their doctors." Reid also tries to come up with a schedule for taking the drug that fits into the patients' daily routines to help them remember. "I find it helpful to give them a specific time to take the medication rather than just saying, 'Take

this three times a day!" he explains.

Neither does Real let his patients off the hook when they come in for a refill. Before he hands over the medicine, he asks, "Does this look familiar?" This point, to force patients to actually look at the medication and acknowledge that it is the right one. Then, instead of asking whether they are taking it three times a day, he asks, "How are you taking it?" That way, he says, "they have to think about it and dredge from their memory 'Well I'm taking it at this time, this time and this time' in probably 10 to 15 per cent of the prescriptions we refill. I make some sort of change to the regimen to make it easier for patients to remember."

Other initiatives underway at pharmacies across the country include follow-up phone calls to patients who have missed picking up a refill and so-called trial prescription programs that monitor medication use more closely. Most pharmacists also sell a range of devices intended to make it easier for patients to follow a medication plan. Says Reid: "We can't be there to babysit people, but we do everything we possibly can to make sure they're following some sort of regimen."

PRESCRIPTIONS ON TRIAL

Trial prescription programs are an increasingly popular way to try to ensure that people are getting the maximum benefit from their drug therapy and to cut down on drug wastage. The pharmacist dispenses a seven- to 10-day supply of medication rather than the more common 30-day to three-month supply. When the trial prescription is nearly finished, the pharmacist calls the patient to find out whether he or she is experiencing side effects and whether the drug therapy is working as it should. If all is well, the pharmacist dispenses the remainder of the medication.

That call-back has a dual purpose, according to Fred Smith, president of London, Ont. consulting firm Solitaires in Health Inc. First, he says, many people go off their medication at the first week or so. "Cardiovascular medications are a good example," he explains. "A patient may go to the doctor feeling fine. But the doctor tells them they have a problem with cholesterol or high blood pressure and they get put on some form of medication." Due to the side effects, they may feel just worse, at least for the first little while. Their response: "They may just sack that medication up in the medicine cabinet and forget about it," says Smith. "That's why we have nursing homes full of people who have stroke."

But Smith says that if patients beat the odds, those side effects will often improve or even disappear. "The call-back on a trial prescription program is really an encouragement to get people to try on the medication, to tell them, these lousy feelings will go away, just stick with it," he says. Alternatively, says Ruth Melton, managed

care coordinator for the Ontario Pharmacists Association, the pharmacist may recommend you talk to your doctor and try to find a medication that agrees with you better. "Sometimes it's just a matter of switching one beta-blocker for another that works better," she says. At the very least, if you choose not to continue with the therapy, at least you are not wasting 60 days worth.

Currently four provinces in Canada have trial prescription programs for personal drug plan beneficiaries: British Columbia, Saskatchewan, Quebec and Nova Scotia. Several other provinces have launched programs on a more limited basis. The result—better patient care, reduced drug wastage and monetary savings. For example:

- In Saskatchewan, the 2,103 trial prescriptions filled for 1995 resulted in savings of \$33,000. Although pharmacists received no additional reimbursement for the extra work required to monitor the trial prescriptions, every dollar spent generated \$2.58 in savings. Fully 1,340 patients chose not to fill the remaining portion of their prescription, cutting down on the amount of unused drugs.
- In British Columbia, 5,882 trial prescriptions were filled for 1996, of which 2,141 were never completed at an estimated savings of \$22,000.
- In Quebec, 4,784 trial prescriptions were filled, and about 33 per cent of patients chose not to fill the remainder of the prescriptions.

FOLLOW-UP PROGRAMS CAN HELP

At the Brampton Frame Plus where Anna Posca works, a computer program identifies patients who have not come in for refills of necessary medication. "We call those people every week," says Posca. "And the first thing we ask, is: 'Are you still on the medication?' Sometimes Posca gets an answer that sends shivers up her spine: "People will say, they cost so much money. I can't bring them, or I was feeling better so I stopped taking my medication," she says.

Her response is to point out that their health is very important and the doctor would not have prescribed medication unless it was necessary. "All kinds of problems can arise from patients not taking their medication correctly," says Posca. "If people don't take blood pressure medication, for example, their blood pressure can skyrocket and they could end up having a heart attack or a stroke." For people who simply cannot afford to pick up their medications at their time, she suggests putting the purchase on credit card, or a charge account set up for patients. Most people do come in and fill the prescription after a call from Posca and she admits that gives her a feeling of great satisfaction. Her advice: "Take medication exactly as your doctor prescribed it, and don't stop until it's finished. If you're having bothersome side effects, call your physician or talk to a pharmacist. Don't just stop taking it."



Over the counter counterpane. Feel free to talk to your pharmacist about any health issues.



Since 1961, Zellers has been committed to operating in-store pharmacies. Today, with more than 37 years of pharmacy service under its belt, Zellers continues to search out new ways to prove its commitment to excellence in the profession.

"There are numerous reasons for our interest to come into a Zellers store—and pharmacy is a value-added reason," says Bob Seibert, Director of Pharmacy. "As part of our corporate philosophy, our pharmacists are committed to giving the best possible patient counselling available at a value-added price."

Zellers currently has 230 pharmacies in Canada, of which 599 are owned corporately and the remaining 61 are licensed to individual pharmacists. The acquisition of Rosier has resulted in strong growth over the past year, and plans for further growth are in the works—in addition to the conversion of Smart Pharmacies, 19 new pharmacies are scheduled to open before year end, for a grand total of 240 Zellers pharmacies across Canada.

"GOOD HEALTH" THRIVES FOR ZELLERS



The cornerstone of a Zellers' pharmacy is the Good Health program. This program, launched in 1995, promotes healthy living through in-store clinics, which can be either national or store-specific to address local needs or health issues.

A Zellers pharmacy conducts a Good Health Clinic Day at least once every four weeks. The event addresses one of a number of topics including allergies, asthma, cholesterol, diabetes and heart health, and, new for 1996, a clinic focusing on checking the contents of your medicine cabinet.

This latest clinic allows customers to bring in medications to discuss possible drug interactions and side effects, as well as check expiry dates.

Registered nurses from the National Order of Nurses help manage the clinics and work with pharmacists to counsel



patients, answer questions and conduct clinical testing where appropriate. Patient education material, summarizing key points made during the clinic's discussions, are distributed to attendees.

Pharmacists are particularly pleased to have the opportunity to improve patient outcomes in the long term, thanks to their patients' attendance on a clinic day.

Along with regularly scheduled clinic days, the Good Health program is accessible to customers every day of the year through in-store stand alone units—Good Health Centres—displaying an average of 100 information brochures on 24 disease states, including vision, heartburn, high blood pressure, smoking cessation, asthma, menopause, breast cancer, rheumatoid arthritis, diabetes and prostate cancer. Voices are also available for patients to hear how life can change.

Other program components include a Healthy Living Guide for Seniors, which is a practical pocket-size booklet full of health and medication guidelines; it also features a section for recording medications and health concerns. The First Aid Safety Guide is also available for all patients—it's a unique flip card booklet that attaches with a magnet to the fridge for quick and ready refer-ence on a wide range of emergency situations.

The Good Health Centres are strategically located near the dispensary so pharmacists can use these tools to assist in their counselling of patients.



EYES ON THE HORIZON

In light of the economic realities of health care today, Zellers' pharmacy puts patients first. In Ontario, for example, Zellers waives the government's \$2 co-payment levied on provincial drug benefit plan recipients. There are self-service blood pressure monitors at all stores, and Zellers pharmacies also offer free delivery from all local areas.

A key to Zellers' continued success in pharmacy is its commitment as a corporate entity that is backed by senior management. It already stands among the top 10 pharmacy banners in Canada, and its aggressive expansion plans will make Zellers pharmacy more convenient than ever for consumers to visit.

ADVERSE DRUG REACTIONS CAN BE LETHAL.

Prescription drugs have proven their benefit to society again and again. Before Bering and Best's discovery of insulin, all children with juvenile-onset diabetes lapsed into coma and died. And new medicines to treat coronary heart disease have saved an estimated 600,000 lives according to the Pharmaceutical Manufacturers Association of Canada.

But medications are not without their risks. After conducting an analysis of hospital data, University of Toronto researchers, Bruce Pomeroy and Susan Lacombe estimated that adverse reactions to properly administered drugs kill an average of 106,000 people annually in the U.S. [and, extrapolating from that, more than 10,000 in Canada], making them the fourth leading cause of

death, after heart disease, cancer and stroke. Pomeroy and Lacombe's figures take in allergic reactions to drugs, side effects and drug interactions, which result from mixing together two medications that may well be helpful on their own. To ensure you are not one of the statistics, advises Tiedt Reid, a pharmacist with Canada Safeway in Calgary ask your pharmacist if your new medication has any known side effects—perhaps nausea, upset stomach, dizziness, headaches or drowsiness. And make sure you know the signs of potentially dangerous side effects for the medication you are taking. As a rule of thumb if you are getting chest pains or leg pains, having difficulty breathing, faintness, rapidly beating heart or excessive nausea, vomiting

or diarrhea, call your doctor immediately. As for drug interactions, according to Dr. Royan Tamblyn, professor of epidemiology at McGill University in Montreal, scientists have documented 17,000—ranging from limited absorption of one of the drugs, prolonging illness or negating treatment, to increasing the toxicity of the medications to a potentially lethal level. And if there is one group particularly at risk according to Statistics Canada, it is seniors. Why? Because they are the heaviest users of prescription drugs. A recent report by Statistics Canada's Health Statistics Division indicated that, in the two days prior to the study, a full 10 per cent of Canadians aged 65 to 74 and 12 per cent of those aged 75 or older had taken five or more drugs. The report estimated that 10 to 30 per cent of elderly

Ten to 30 per cent of elderly patients are admitted to hospital because of medication toxicity.



patients are admitted to hospital because of medication toxicity.

And it is not only prescription drugs which interact with other prescription drugs. Interactions can occur with over-the-counter drugs, herbal products and even foods. With so many possible complexities, what can you do to ensure you are not the victim of a dangerous drug interaction? First, advises Bill Cornish, a pharmacist with Sunnybrook Health Science Centre's Drug Information Service, keep your doctor and your pharmacist abreast of any changes in your health. Let them know what other medications you are taking and whether you have allergies or medical conditions. As well, it is important to build a relationship with your pharmacist. Most pharmacies use sophisticated computer systems to track your medication history, allowing them to pinpoint potential drug interactions immediately. But the information often is not shared between drugstores (except sometimes within chains), so if you are frequently receiving several different pharmaceuticals, a potential interaction may go undetected.

Finally if you have a health condition

like diabetes, epilepsy, asthma or high blood pressure for which you are taking medication, or you are allergic to a specific type of medication, wear a medical ID bracelet or necklace. You might also write up a medication record if you regularly take a number of different drugs. Include the name, dosage and any special instructions for taking each

medication, as well as the name and phone number of the doctor who prescribed it. Keep a copy in your wallet or purse and at home. What you should never do, is simply go off your medication for fear of an interaction. "Certainly the benefits of drugs are tremendous," says Lacombe "and this outweighs the risks in most cases."

SOME FOOD AND DRUGS DON'T MIX

Few people would think about grapefruit juice as a potentially lethal substance. Yet, taken with certain medications, it can lead to irregular heartbeat or serious kidney problems. Similarly, milk—as useful for building strong bones and teeth—can reduce absorption of the antibiotic tetracycline. "There are some foods and drugs that just don't mix," says Carole Moore, director of pharmacy sciences for Medical Products Ltd.

Sometimes Moore explains, the wrong food can simply interfere with a drug's effectiveness, as in the case of the tetracycline/milk combination. "The tetracycline binds with the calcium, changing its form and making it more difficult for the body to absorb the antibiotic," she says.

But the more dangerous situations occur when a food interacts with a medication to boost its potency beyond what is safe. Grapefruit juice, for example, contains flavonoids which can push the power of some heart medications into toxic territory. It can also prevent your body from metabolizing antihistamines like Histanal[®], causing irregular heartbeat. Other examples of food-drug combinations that may give you more than you bargained for are:

Don't Mix With or else...

Anticoagulants like phenindione, sulfafur or the Parkinson's medication selegiline.

Foodstuffs containing tyramine including cheeses, sour cream and home-made yogurt. After smoked or pickled fish, salmon, halibut or carpenter's pike, avoid or postpone (evenly) your anticholinergics, evenings, say, and chocolate as well as beverages like red wine, beer and tea.

If you cause a rapid rise in blood pressure potentially leading to a stroke.

Nonsteroid analgesic (ibuprofen), an antispasmodic drug.

Any food beverage or medication. Phenazone[®] must be taken with water only first thing in the morning, at least 30 minutes before anything gets into your mouth. You have to remain sitting or standing (don't lie down).

Absorption of the drug will be impaired. It may also cause irritation of the esophagus or absorption of phenazone with difficulty or pain upon swallowing new or worsening heartburn.

Low-dose oral contraceptives (Drospirenone)[®] used to treat Parkinson's disease.

A high-protein diet, including plenty of meats, cheese and beans, for example.

The anti-coagulant effect of the element of ginseng may compete with the low-dose, reducing absorption.

The blood thinner warfarin (Coumadin[®]).

Green tea and other foods rich in Vitamin K, broccoli, spinach and other green leafy veggie.

The anti-coagulant effect of the drug may be decreased potentially leading to a stroke.

OUT WITH THE OLD...

Last summer, seven teens from St. Thomas, Ont., landed themselves in hospital from an overdose of prescription pills, beer and vodka. One was unconscious when he was brought in and another went missing for a day and a half before he was finally found, still disoriented and wandering in a nearby woods. Such ill parties are common, teens told a reporter after the incident, fueled by raids on the family medicine cabinet.



Teens: Aversion: Big V. Pharmacy were instrumental in disposing of bins of unused drugs.

Most people have one or two bottles in the medicine cabinet with expiry dates that are months, if not years, overdue. What you may not realize is the cost to both people and the environment of those walls full of unused medicine. According to Dr. Michael McGugan, medical director of Toronto's Prison Control, about one child (up to age 14) a week turn up at the In-Ya Hospital for Sick Children due to accidental poisoning. "If you've got old medications lying around, you've set the scene," he says. "You've got the child, who's curious and looking around. You've got a potential source of toxin available. And a lot of the young ones can't tell the difference between medications and candy."

What is more, points out Ian Brown, a pharmacist with Shoppers Drug Mart in Oakville, having unused medication around increases the risk that even adults will take the wrong drug, potentially causing a dangerous drug reaction. "People wake up in the middle of the night, they're groggy, and they grab the wrong thing," he points out. "We always say, if you're not using something anymore, it's best to discard it."

Taking expired drugs can be risky as well. Although it is uncommon, expired prescrip-

Don't Mix

With

or else...

Antacid like Devo[®] (Gelusil[®] and Maltol[®]) and acid suppressors like Zantac[®] and Loos[®].

The antibiotic tetracycline.

You run the risk of reducing absorption of the antibiotic by up to 50 per cent.

Antibiotics like Maltol[®] and the antibiotic erythromycin.

Tetracycline, an antibiotic, may contain in solution or an emulsion contained in Maltol[®].

Your body may be unable to break down the antibiotics, potentially causing irregular heartbeat and heart palpitations.

Bupropion, contained in Amfe[®] and Maltol[®] (Ritalin[®]), contained in Amfe[®].

Warfarin, a blood thinner (contained in Coumadin[®]).

Increases the blood-thinning effect, leading to increased risk of bleeding.

Water drug (containing in Tegaser[®]).

Warfarin (Coumadin[®]).

The medicine may reduce the metabolism of the warfarin, increasing the time it takes for blood to clot and perhaps causing bleeding.

Protein inhibitors used to treat AIDS such as zalcitabine (Retrovir[®]).

Doxycycline (Vibram[®]) and some other tetracyclines.

The effect of the doxycycline could be chemically increased making you extremely dizzy.

Antacid like Devo[®] (Gelusil[®] and Maltol[®]) or dairy products.

Amiloride (like Amiloride[®]).

Absorption of the antacid will be reduced, potentially rendering it less effective.

Iron supplements (ferrous gluconate or sulfate and also some multivitamins with iron).

The antibiotic cephalexin (Ceph[®]) used for urinary tract infection.

Absorption and effectiveness of the antibiotic can be reduced.

*Note: In some cases, physicians intentionally prescribe the two together when the benefits outweigh the risks.



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son drugs have actually caused seizures and even death. For the most part though, says pharmacist Fred Smith, president of Solutions in Health Inc., both prescription and non-prescription drugs simply become less potent as they age. So if you are taking an expired penicillin for antibiotics, for example, "it's like not finishing out a full treatment course; you may contribute to the problem of antibiotic-resistant bugs and you could end up with a super-infection which is very difficult to clear up."

Stewart suggests tossing drugs that have passed their expiry date or that you no longer use, as well as those which are crumbling, have developed an odor, or simply do not look right. Do not drop them in the garbage, though, or flush them down the sink or toilet. Drugs are regarded as hazardous waste products, points out Dennis Lam, supervisor of Household Hazardous Waste for Toronto.

"If residents don't dispose of medication properly, it can attract animals, who will eat it and potentially get very ill."

Most cities have a place where residents can drop off unwanted medication, but just yet, Toronto alone disposed of 4,450 kg in Alberta, which has been operating a drug sound-up since 1986. Fully 230 tons have been collected, equivalent to the weight of more than 40 grown elephants. In 1998, 27.6 tons were turned in, compared to 19.3 tons in 1997. The most common antibiotics, pain killers and heart medicines.

Smith, who also runs a medicine cabinet clean-up program at Big V pharmacies in Southwestern Ontario, actually tried to put a price on the amount of unused medication he collected and came up with an average of \$70,000 worth of medications a month from each of the chain's stores. "If there are about 6,500 stores in Canada, that's about \$780 million worth of drugs a year that people are throwing away," he says. "And that's just the people that actually bring their drugs in. There are others who never do."

In order to dispose of unused medications legally, they must be treated as toxic waste, points out Smith. "We used to send 45-gallon drums of solid dosage drugs away for destruction," he explains. "The company we hired trucked it to a plant where they made a sludge out of it and then buried it in the ground in drums." If you can't make it to your local disposal site, most pharmacies will accept and dispose of unwanted drug products year-round.

DISEASE STATE MANAGEMENT

If you have just been diagnosed with a chronic health condition like asthma, diabetes or high blood pressure you are probably feeling somewhat overwhelmed. Suddenly you need to become an expert on a disease you likely knew next to nothing about just yesterday. There is, however, an information source that is easily accessible, well-informed and eager to help: namely your neighborhood pharmacist.

Zellers pharmacist Jane Penney of Cobourg, Ont., says conveying the information patients need without overloading them is a difficult balancing act. "I try to give them enough facts about their condition

JUST A SPOONFUL OF SUGAR...

Many people who are taking medication are not aware of the fact that some medications can be harmful if taken on an empty stomach. For example, some medications can irritate the stomach lining and cause discomfort. To avoid this, it is important to take medications with food. This can help to reduce the risk of stomach irritation and ensure that the medication is absorbed properly.

Remember: If you are taking a tablet or a capsule, it is important to swallow it whole. Do not crush or chew it, as this can affect the way the medication is absorbed. If you are taking a liquid medication, it is important to measure it correctly using a measuring spoon or syringe.

Use a Spooning Device: There are a range of products available to make giving children their medicine a little easier. A spooning device, such as a "spoonie" or "spoonie" device, can be used to give children their medicine. This device is designed to be used with a spoon and can help to ensure that the medicine is given correctly.

Don't Use a Spoon: When children feel in control of what goes into their mouths, they are more likely to comply. This is why it is important to use a spooning device rather than a spoon.



Jane Penney, Medicine Woman, The Zellers pharmacist, doctors tailored advice plans to help patients manage specific health conditions.

to get them interested, and then I refer them to a place where they can get even more information," she says. "I can get them to say, 'You're kidding, I didn't know that.' I know I've got them."

Penney sometimes writes out patient action plans for asthma sufferers for example so that they know what to do when faced with a particular scenario. The plan is to help remedy some peoples' inclination to ignore the disease. "Patients are sometimes horrified to find out that their child has asthma," Penney explains. "They figure if they don't give the child the medication then the child won't have the condition, so they wait until the child is blue in the face to start them on their inhalers. We have more and better treatments for asthmatics now than we ever did and yet we have more asthmatics dying."

Penney also encourages her patients to start thinking about potential "triggers" for their condition. Some migraine sufferers find wine brings on the debilitating headaches, while for others it might be dairy products. And asthmatics may react to grasses, pollen or pets. "If they're aware of what makes their disease state worse, they can be ready to respond," she says.

Many pharmacy chains offer special clinic days where patients can come to find out more about high blood pressure, asthma, diabetes, migraines, circling for infants, among other topics. People may have their blood pressure or cholesterol levels checked, or their blood glucose levels monitored. Often separate consultation rooms are set aside so patients can discuss their concerns in private.



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BACK IN THE DRIVER'S SEAT

When Jerry Young's doctor told him he was a "borderline diabetic" eight years ago, he thought nothing of it. "I had no real illnesses, my vision was the same. The doctor gave me some pills to take twice a day and I figured, 'meh! It's the truck,'" he says. An admitted "not-so-fast" trucker, Young continued to test on the high-five road he loved and eschewed exercise. At six feet tall, he weighed in at a



Service Test: Pharmacist Ken Burns (right) shows a borderline diabetic his glucose levels on an in-store computer.

hefty 300 pounds and his blood sugar was consistently high.

It was not until Young started to get severe cramping in his legs after walking that he began to realize that the lifestyle he led was taking a toll on his health. Last October, he agreed to participate in a study run by Rex

Burns, a pharmacist with Emington, GA, in Chelmsford, Ont. "The genesis for the study was that we'd get people coming into the pharmacy to buy testing strips and we'd ask what their blood sugar level was. They'd say 14 [which is very high]." When asked what they were doing to bring their glucose levels back under control, though, they'd reply "Nothing."

Burns figured that if those people could see a graph of their glucose levels and knew exactly what they meant in terms of an

increased risk of heart attack, blindness, kidney failure and circulation problems, potentially leading to amputation, they might be more apt to change their habits. Young, for example, had to monitor his glucose levels at random intervals over a month. Then he turned that data over to Burns, who fed it into a software program that spit out charts showing the highs and lows in his blood sugar according to time of day—what his maximum reading was, how many times he was over the optimum blood

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- Why am I taking this medication?
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- Should I avoid certain foods or alcohol while taking the product?
- Is there any possibility the medication will interact with another drug product I'm taking? (i.e., under prescription, over-the-counter or herbal.)
- Is it safe to drink vitamin or dietary formulas, medicine while taking this medication?
- Are there any specific side effects I should watch for? (i.e., what are they and how will I know if the side effects are dangerous?)
- How will I know if this medication is working?
- Are there any laboratory tests that will monitor this, what are the pros and cons?
- Do you have patient information available on my medical condition?



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sugar level) and how many times he was under.

What they showed was that Young—whose blood sugar levels averaged about 12 but fluctuated considerably—was unlikely to reach age 60 without major complications unless he changed his ways. "I guess seeing it on paper helped," says Young. "I couldn't ignore it any longer. And I guess I came to realize that a pill wasn't going to take it away if I had to do it."

Barns also pointed out to Young that the pills he was taking for his diabetes were not going to do any good unless he took them previous to eating; something he had not known. Young asked his doctor to make an appointment with a diabetes education nurse, including a dietitian who would be able to give him useful advice on which foods to eat and which to avoid. "I never went on a diet," he says. "I just began to pay attention to the foods I was eating and how they affected my body." As well, he began a regimen of regular walking after work.

Nine months later, Young's blood sugar level averaged five or six, which is normal even for a non-diabetic, and there are no major fluctuations. He has dropped almost 100 pounds, and Barns proudly refers to him as "my diabetes poster boy." Young says he has even considered keeping to his good habits. Says Young, "I have five years to work until I'm eligible for a pension and I'm thinking, I want to see that person I want to enjoy the life my wife and I can have later on."



STORE MEDICINE SAFELY

Medicine kept in a cool, dark place, like a locked medicine cabinet, is safer than being left out in the open where it can be seen by children. It's also safer if it's locked away from kids. If you have a child, it's a good idea to lock up your medicine. If you have a child, it's a good idea to lock up your medicine. If you have a child, it's a good idea to lock up your medicine.

- Keep medicine in a cool, dark place. The ideal medicine cabinet is really one that's locked. If you have a child, it's a good idea to lock up your medicine. If you have a child, it's a good idea to lock up your medicine.
- Place your medicine in a cool, dark place. The ideal medicine cabinet is really one that's locked. If you have a child, it's a good idea to lock up your medicine. If you have a child, it's a good idea to lock up your medicine.
- Store medicine in its original container. It's important to keep your medicine in its original container. It's important to keep your medicine in its original container.

It's important to keep your medicine in its original container. It's important to keep your medicine in its original container. It's important to keep your medicine in its original container. It's important to keep your medicine in its original container.

BREATHING EASIER

Tony Matthew McMurrer went into respiratory distress when he was born, and continued to have breathing problems even as a baby. At just five months old, he was diagnosed with asthma after several incidents in which he turned blue, forcing his frantic parents—Catherine and Bob McMurrer of New Laverettown, N.S.—to rush him into emergency.



Sweet Relief Pharmacist Kim Sweet breathes a young patient on how to control asthma attacks.

Matthew did not want to go outside for fear of having an attack. The McMurrers got a break, however, when they moved to their new home in the Porters Lake area two years ago and began to frequent the nearby Lawtons Drugs. On one such visit to fill a prescription for Matthew, pharmacist Kim Sweet picked up on the fact that the child had been

going through for some time. "An emergency inhaler which opens up the air passages during an asthma attack," says Beckwith. "A second inhaler meant to be used on a regular basis to prevent asthma attacks." Sweet pointed out that the situation should be reversed. "Verbalin" is only meant for use during an asthma attack," she says.

When used regularly it can cause irritability, hyperactivity, sleeplessness and even heart palpitations. Beckwith. "On the other hand, should be used two to four times a day and although the parent does not feel any immediate effects, it quietly keeps asthma under control."

Catherine was amazed; she did not remember the doctor telling them that. "You give us a video and cassettes and pamphlets on asthma," she says. "She didn't even charge us for them, although we're supposed to send the video." As well, Sweet provided the McMurrers with an asthma management plan detailing exactly how and when to use the inhalers. Instead of using the Verbalin "every time Matthew wheezes," as they had been doing, Sweet suggested the McMurrers use the Beckwith four times daily until his symptoms were under control and then cut back slowly to twice a day within a few months time. "He made it to that goal within a month," says Catherine. Now the McMurrers notice that Matthew is far calmer and healthier. "He hasn't had an attack in months," says Catherine gratefully. "If it wasn't for Kim, we would still be doing what we were doing, and that's dangerous."

As for Sweet, she admits it is very rewarding to have been able to intervene in such an immediate way. "We caught it before Matthew started school, so he's not going to have to carry puffin everywhere he goes. It's nice to see the whole family a little more relaxed," she says.

TECHNOLOGY: SHARING YOUR PERSONAL HEALTH INFORMATION COULD SAVE YOUR LIFE

Donna Pippa, until recently a pharmacist with Children's Hospital in Calgary, regularly advised her small patients' medication according to information gleaned from their medical charts, consultations with their doctors, lab reports and their medical and nursing plans.

In fact, Pippa admits she would not have been able to do her job half as well if she did not have access to such data. The lab reports, for example, tell her if levels of the antibiotic Gentamicin are too high—potentially damaging auditory or kidney function—or too low—in which case it is not going to work as effectively. As well, she can tell if the child is at risk of an allergic or adverse drug reaction from his medical history and she might be able to adjust the time of his medication to allow him to get a good night's sleep or

be less drowsy in the day.

This is all information that is not available to community pharmacists. And, with patients being released much sooner from hospitals across the country, many are beginning to wonder if it would not help to have it. "Pharmacists typically would be able to figure out with reasonable certainty what condition a patient has from the drug profile on their computer screen," says Bob Nakagawa, director of Allscripts Health Columbia general drug program. "But they can't know definitely because many drugs have more than one use. For instance they could be getting a beta-blocker for a heart condition or for a migraine headache." A patient with a migraine, he points out, is going to be counted quite differently than one with a heart condition.

Nakagawa would like to see community pharmacists given access to a kind of "electronic chart" on patients with diagnostic information and other pertinent data. That kind of detailed information, however, is still a dream. Two provinces—British Columbia and Manitoba—have taken the first step by implementing on-line linkages from each of their pharmacies to a central computer system which stores patient information. What that means is that wherever you are, your pharmacist has access to your medication history. Alberta, Ontario and Saskatchewan are in varying stages of implementing similar systems.

As well, British Columbia has launched a pilot project in a number of emergency departments giving doctors and nurses access to the same information. What that means is that doctors can pull up a patient's medication profile and other pertinent information, including adverse reactions and allergies to certain drugs. "When you come

into an emergency room, you may or may not be able to provide that information directly," says Nakagawa. "You may have just been in a car accident and you may be unconscious. And especially elderly patients may not remember the long list of drugs they're receiving with all those complicated names."

When the "tags are worked out" of this new system, it may be relied on by emergency departments across the province. The key thing is to make sure that the information is confidential and is not available to people who do not need to know," says Nakagawa.

He points out, however, that information only flows one way right now, and that is into the hospital. Debbie Salzman, pharmacy systems manager for Wal-Mart and director of the CADS's fledgling pharmacy systems committee, would like to see a two-way sharing of information. "We already have sharing of information in the hospital setting. I would like to see that extended into community pharmacy so that we have one standard of care no matter whether the patient is in hospital or at home."

Like Nakagawa, she thinks it would be particularly valuable for pharmacists to have diagnostic information. "You may well ask, why wouldn't the pharmacist simply ask the patient why he's being treated?" she says. "But in some cases, the patient may be confused and uncertain as to what the diagnosis really is, especially if he or she has had a number of tests." As well, a pharmacist may not want to question her patient in front of the rest of the pharmacy about what is making them ill. "The pharmacy has been identified as a key point of contact with the patient," says Salzman. "If the pharmacist knows the diagnosis that's able to give a lot more pertinent information."

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YIM Magyar pistol, a mascot
during that hell from gangs

a warrant, and they left with every piece of paper in the place," Peterson says. "But the search warrant is sealed, no charges have been laid and to this date nobody has provided management with any specific allegations."

Nonetheless, Peterson felt that YIM should err on the side of caution. With Mitchell, he spent the summer urging fellow directors to sever any ties that suggested ties to Maglovich, who lives in Budapest and is banned from entering both Britain and the United States. Peterson and Mitchell were outraged when management proceeded with plans to buy a Russian magnet factory they thought to be mis-owned. "It was ours. It was an

accountable," Peterson told Maglovich. "But we couldn't persuade the board to back off."

YIM's auditors had already quit, saying they could not sign the company's first year-end 1997 financial statements. On Aug. 10, Peterson resigned, within days YIM's corporate law firm and special counsel, Joseph Gross of Toronto, followed suit. Still, two accountants continued to press ahead with controversial expenditures. In July and August combined, another \$20 million was reportedly missing. YIM says it can account for the cash, but Canadian pension fund managers decided they were tired of explanations. They had to grab control or risk watching their investment, worth more than \$300 million when YIM's stock trading was halted last March, disappear.

The pension managers' cry may be an international precedent, but it is also something of a hollow victory. YIM's Canadian investors may never get their money back—though their actions could benefit others. The TSE, for example, is asking State Street and Fidelity Corp. of New York City to help design new rules for screening the firms it includes in major indexes, to protect investors from future fiascos. Meanwhile, YIM shareholders are stuck, barred from selling their shares until the regulators prove that they're cleared of the company's murky affairs. Investors predict it will take six months to a year before they are anywhere close. Ultimately, Maglovich (who still owns about three per cent of YIM) may be the only one to know the truth, and he is not about to start disseminating information to fellow shareholders.



Peterson: no fear

BUSINESS

Battling the mob

An unlikely group tackles a Russian gangster

Sergei Maglovich is one of the world's most powerful mobsters. According to police reports, the notorious "Bribe King" of Russia's Red Mafia heads a multinational criminal organization five times the size of the largest U.S. crime family. He controls, among other things, the Hungarian arms trade, the flow of goods through Moscow's Sheremetyevo International Airport. Most of the world's toughest law enforcement agencies are hot pursuit, including Interpol, the FBI and the RCMP. He seemed invincible—until a couple of weeks ago, when an unlikely group of Canadians became the first in the world to make a dent in Maglovich's three-ring business empire.

The people who did this are the cream of Canada's pension fund investors, a stand-out respectable assortment: first includes Vancouver-based Concorde Clark & Lums Investment Management Ltd., the Ontario Teachers' Pension Plan Board and Royal Bank Investment Management Inc. Together, they hold almost a 50 per cent share in a formerly high-flying Toronto Stock Exchange-listed company called YIM Magyar International Inc., which last March had a market capitalization of almost \$1 billion and was included in the blue-chip TSX 300 Index. Presided by entrepreneurial traders here that have frayed YIM shares and helped by allegations that YIM was a front for laundering Maglovich's tainted money, the pension managers staged a corporate coup d'état. It worked, on Sept. 22, the Alberta Court of Queen's Bench allowed them to take control of the company.

For almost two years, YIM was a market darling, quadrupling from its original price to trade for more than \$20 a share at last March's peak. Investors say that whatever its troubles, YIM was never a stock promotion: "This was no Ponzi-X," says former Ontario premier David Peterson, who served on the YIM board from 1995 until August of this year. The company, which Maglovich and his associates founded in the early 1990s, makes state-of-the-art magnets for the automobile and aerospace industries at plants in Hungary, the United States and Britain. YIM also made nearly \$11.2 million in profit on sales of \$64 million for the first nine months of 1997. Says Peterson, "This was a very hot, very advertising, very serious high-tech company."

Peterson and Owen Mitchell, a YIM director and vice-president at the Toronto investment dealer First Monahan Securities Ltd., continued to believe that YIM's mob connections were a thing of its colorful past—right up to May 18, the day the FBI raided the company's Philadelphia headquarters. "Sooty guys rolled in one day with

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Maclean's
What's Hot, What's to Watch

Ross Laver



Hedge-fund hypocrisy

When the history of this year's shambled financial meltdown is written, there's bound to be a special chapter devoted to the so-called investment wizards at Long-Term Capital Management L.P. They're the U.S. hedge funds whose near-collapse last month sent a shudder through the world's already battered financial community.

The story of Long-Term Capital has it all: greed, hubris and an almost breathtaking disregard for financial risk. To top it off, the fund's millionaire speculators, having blown it big time on several duped investments in the international bond market, were lucky enough to be bailed out by the U.S. government—saving once again the risk that special treatment, while the rest of us poor shmucks are forced to pay for our mistakes. The hypocrisy and lack of shame on the part of these hedge-fund hucksters is almost too much to bear.

There's only one problem with this script. It isn't true, at least insofar as the controversial "bailout" is concerned.

To be sure, there are reasons to be downcast from the Long-Term debacle. But while editorial writers, pundits and politicians cry about the need for tighter regulation—hedge-fund managers now being about as popular in Washington as Mexico Leona's former friend Linda Tripp—a few rather significant facts are in danger of being forgotten.

First, all hedge funds are not necessarily any more dangerous than many other types of investment. One of the main reasons institutions and wealthy individuals invest in them, in fact, is to reduce their risk by diversifying across several asset classes. Although there are many different types of hedge funds, almost all employ some form of leverage (hence the name) to offset the bet they make in the securities market. For example, a fund manager might sell stock short—in effect, gambling that its price will fall—in order to counterbalance the losses that other securities in his portfolio would sustain in a market downturn.

Several recent surveys of market returns and volatility support the view that hedge funds, contrary to popular belief, are not risk-

ier than other investments. One study, which focused on the period from 1980 to 1993, found that the average annual returns generated by U.S. hedge funds was 17.2 per cent, compared with the average 13.4 per cent return achieved by the Standard & Poor's 500 stock index. What's more, the probability of losing money in any 12-month period was 11.6 per cent for the hedge funds and 23.3 per cent for the S&P 500. Adding leverage to a traditional portfolio not only increases diversification, but also increases returns and lowers portfolio volatility," says Bruce Tarnoff, president of Financial Risk Management Ltd., a London-based consulting firm.

To every rule there is an exception, and Long-Term was nothing if not exceptional. Founded in 1994 by one of Wall Street's top traders, John Meriwether, it raised billions of dollars from the world's wealthy—the minimum investment was \$10 million (U.S.)—and borrowed billions more in on-site capital of bonds and securities. For four years, it racked up stellar returns, but disaster struck when the Asian financial crisis spread to Russia and Brazil.

Meriwether and his team, it turned out, had made a huge, unadvised bet on Russian bonds, which exploded in their faces when Moscow defaulted on its debts and investors abandoned the rubble.

Well, that's life in the big city. The real debate surrounds the so-called rescue plan coordinated by the U.S. Federal Reserve Board. What's really happened is that 15 major banks and investment houses, many of which had invested in and provided financing for Long-Term, agreed to put up \$26.6 billion (Cdn.) to acquire 90 per cent of the fallen hedge fund. The deal means Meriwether and his buddies with a stake worth about \$625 million, less than 10 per cent of the value of their holdings at the beginning of the year, have been bailed out, the average investor with \$15 million in the fund is now left with roughly \$900,000. Perhaps in some people's minds they deserved to lose everything, but if Long-Term had gone up in smoke it would have been forced to sell all of its investments immediately, driving share prices down and triggering further cascading falls of innocent investors. This time, it really was the rich who paid the price.

The bailout of a controversial U.S. hedge fund helped slow the stock market meltdown

Business NOTES

STEEL IMPORTS ASSAILED

Canadian and U.S. steelmakers launched trade complaints in Ottawa and Washington over the dumping of low-cost steel from Russia, dumped Asia into North American markets. The firms, including Hamilton-based IncoSteel, claim that the collapse of demand in Asia and Russia has forced foreign companies to sell their products in North America at below cost.

HONDA LAUNCHES SUV

Hard on the heels of the launch of its Odyssey minivan, Honda Canada Inc. plans to build a new sport-utility vehicle at its Alliston plant, north of Toronto. The new SUV will be similar in size to the Lexus RX300, a sport utility that has been a hit for Toyota Motor Corp. in North America.

SAUDIS RECONSIDER

After 26 years in exile, U.S. of companies were visited by Saudi Arabia for ideas on how they might participate again in developing its huge oil reserves. The companies were thrown out in 1973 when the Saudis nationalized their oil resources, but the oil-rich kingdom has been hit hard by falling oil prices and a slowing economy.

LOST IN CYBERSPACE

Two million cards of Montreal credit and debit-card users were lost in cyberspace when a massive computer crash paralyzed the bank's automated banking system. The collapse, which took three months to repair, occurred when technicians were downloading new system software.

SEAWAY PRIVATIZED

The St. Lawrence Seaway (opened in 1959) is now a 20-year history when a private group representing the seaway's main users took over its management from the federal government. Seaway traffic is far below its 1970s peak, but the new managers say they will revive the seaway by making it more efficient.

BRYAN'S BACK

Flamboyant Texas oilman J. P. Bryan, the ousted chief executive at Gulf Canada Resources Ltd., returned to Alberta's oilpatch as chairman of Calgary-based Canadian Oil Services Corp. Under Bryan, the midsize firm hopes to become the premier natural gas producer in North America.

Hanging up on Sprint

Sprint Canada Inc. has become the victim of its own success. Faced with overloaded lines and service interruptions, the Toronto-based long-distance telephone company pulled the plug on its flat-rate calling plan. Introduced in late July, the all-you-can-talk deal allowed customers to make an unlimited number of residential calls in Canada on evenings and weekends for \$10 a month. The company, owned by Cull-Ner Enterprises Inc. of Toronto, downgraded the program last week to 800 minutes—or about 13 hours of calling—a month for \$95. After that, a 10-cent-a-minute charge kicks in. "We're seeing a change in the way Canadians are using their long distance," said Sprint president Phil Burns. "The calling volumes have increased and there's been congestion right across the country."

But the company's rivals, including Bell Canada and BC Tel, say they will stand by their 800 deals, and hope that Sprint's cus-

Bombardier's big deal

Bombardier Inc. landed its largest contract ever—worth \$1.5 billion—to build 50 Canair Regional Jets for Century, a U.S. carrier that feeds Delta Air Lines. The Montreal-based transportation giant has lagged 400 orders for the popular 50- and 70-seat jet, helping it avoid a significant slowdown in the aerospace industry. With the most recent deal, analysts said, Bombardier moves far ahead of its chief



Company call centre in Toronto, network overloaded

rivals, Boeing Embraer and Fairchild Dornier USA of San Antonio, Texas. The deal looks even better. The Regional Airlines Association, an industry group, says jets on order for last year cost all U.S. regional flights, and that level should jump to 15 per cent by the end of 2003. Bombardier, which had sales of \$8.5 billion last year, also has 126 orders for its 13-seat Lear 45 business jet, which sells for \$12 million, and 80 orders for its up-to-30-seat Global Express business jet, which sells for \$27 million.

FINANCIAL OUTLOOK

Plunging commodity prices and competitive pressures are continuing to weigh on Canada from inflation. Canadian manufacturers paid almost 16 per cent less for raw materials in August than they did in the same time last year—that's largely to lower prices for crude oil and wood. As a result, the price manufacturers charge rose only 0.1 per cent in August from the same period a year ago, despite the weak dollar.

But the Bank of Nova Scotia warned that declining commodity prices and sliding stock markets will undercut consumer confidence over

the next year. In August alone, the cost of a barrel of oil fell 3.7 per cent from July. The low dollar, however, is still bailing Canada's tourism industry. Overnight trips by Americans jumped 11.2 per cent in the second quarter from the first quarter.

COMMODITY CRUSH

Raw material price index



"Instead of product prices rising, they're falling. As a result of that, the underlying trend still points to severely subdued producer prices."

—Nasib Burns
Even with a modest reduction in borrowing costs in the months ahead, the dramatic rise in household debt during the 1990s and the sharp reduction in the propensity to save will reinforce a more cautious consumer spending outlook.
—Scott Brink



Peter C. Newman

The Viagra solution: a fix for economic ills

Suddenly, there's the smell of panic in the autumn breeze, the distinct aroma of unceremonious investors stomping away as they dump their stocks and abandon their reasonable outlooks.

Desperate times require desperate measures. And maybe it will take a strong dose of Viagra to save the world for capitalists. (For details, please keep reading.)

Strapping rich men on overvalued portfolios is always a good idea and it's certainly true for the unprecedented eight-year stock market spree to reach for more realistic values.

But why such panic?

That's the nature of the beast. During the past few years, we have become slaves to hype and hyperbole. We typical high-tech company's earnings don't grow by 40 per cent a quarter, if that. Stocks have been overvalued for such a long time that with every lousy investor panic. When Northern Telecom confirmed it would meet its profit projections but might experience lower revenues, hysterical investors last week wiped more than \$9 billion from its market value.

When you expect miracles, reality is bound to disappoint.

History has moved so fast. It's not quite a decade since the Berlin Wall came down and everything looked possible and cheerful. Among the more popular predictions then (including some made in this column) was that the 21st century would be the Age of the Dragon—that Asia would lead the world economies into a new age of plenty. Praise for the concept of the global village was heard everywhere, for the barriers it would eliminate and the shared prosperity it would ensure ran earth's far corners.

Instead, the world seems to have legaled, and globalism turned out to mean nothing more complicated or beneficial than the feeling we're all in the same boat.

What's essential now is to keep one's nerve and decide whether we're facing the collapse of the world as we know it, or one of those mild dips that inevitably follow economic peaks. So far, the evidence strongly points to the latter. We most definitely are not in an economic earthquake bound to climax in another Depression. Things will get tougher, but providing the Americans don't respond to their growing trade deficit by becoming protectionist, most economies will recover, probably in time to celebrate the millennium, only 15 months from now. (Banks of centuries-old currencies, the idea of a new start gives everybody hope; currencies will start spending again, and most economies will turn.)

Still, some bold reforms are essential. While Russia's plight is brutal, its economy remains too insignificant to worry anyone outside its immediate orbit. That's not true of Japan. That country's weary politicians will have to face the uncomfortable reality that the status

quo, which they have packaged under eight different but basically identical governments during the past decade, is no longer tenable. The country's interest rates have been hovering at or near zero for the past 38 months, but that intended incentive has had no effect. The country's largest municipality, Tokyo, is in fiscal crisis. Banks continue to fail and 22 of the country's largest corporations are in danger of having their credit ratings cut.

A political revolution designed to moderate its ingrained culture is overdue. Because saving face is such an essential part of the Oriental mind-set, this will be difficult but not impossible. Without it, there can be no turnaround.

Despite the noisy week and straggling players on three continents, the International Monetary Fund last week issued updated figures that showed the world's GDP for 1998 is still expected to increase by two per cent. (The IMF's growth prediction for Canada, at three per cent, was down only 0.2 percentage points from its original projection earlier this year.)

What the world fears most now is the kind of massive deflation triggered by a collapse in demand. That was what set off the Great Depression of the 1930s, when production and trade kept falling by an average of 30 per cent a year, as customers were unwilling or unable to pick up the slack.

And that's where Viagra comes in.

The only sure way to rescue faltering economies is to stimulate consumer demand. The United States, where some five million males have already used the sexual potency drug (and an estimated 30 million others need it), has experienced a remarkable boost in lifestyle-enhancing products, such as sports cars, yachts, foreign travel and other items and activities that appeal to the senses. According to *Saxony magazine*, Viagra is causing the old boys to experience a radical shift in their self-image, which in turn is loosening their purse strings—and thereby the generation with the most disposable cash. "The Viagra phenomenon," the magazine hypothesized in its September issue, "is just a love story. It's an entrepreneur's dream." The magazine even suggests, tongue-in-cheek, the birth of 200,000 new "Viagra babies" by next spring, based on the historical average of a 15-per-cent immigration rate for sex between female Canadians.

One of the few serious studies of the phenomenon agrees: "When men start feeling better about themselves," writes Dr. Steven Lamm in *The Virility Solution*, a book on the Viagra revolution, "they start spending money. There's going to be more dining, more people going to restaurants. Every industry that benefits from increased well-being will benefit."

Next time you're looking frugal, don't fight it. Remember, you're saving the world economy.

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Planning Your Estate

For many Canadian families, it is an emotional minefield

BY BARBARA WICKENS

Ruth Berry knows she missed a golden opportunity. As a family studies professor and co-director of Business ecology at the University of Manitoba in Winnipeg, Berry has taught personal finances and family money-management to generations of students. That, combined with a background in psychology, meant Berry was one of a handful of experts to whom Toronto-based mutual fund giant Trimark Investment Management Inc. turned the tables when compiling the 1997 booklet *You and Your Family: Talking About Money Like Inheritors*. Berry, an equally comfortable with money matters, a former corporate executive, one of his own tasks was developing his company's employee benefit plans. Yet, somehow, the two never got around to discussing the size of his estate before his death last November at age 69. "We were two people who got along and had financial backgrounds—probably the best-case scenario—and we didn't discuss it," recalls Berry, 59, who served as her father's executor. "His generosity manifested itself in private. And I never brought it up because I was afraid of sounding too forthcoming, too acquisitive."

There lies a surprisingly common problem. Financial experts and demographers predict that over the next 20 years, the current generation of retired Canadians—nearly three million people—will bequeath about \$2 trillion in real estate, savings and other tangible assets to their heirs and after the Second World War. That, in turn, has fuelled a boom in the business of estate planning. Says 66, lawyers, accountants and financial advisers who specialize in helping people put their financial affairs in order generally try to take account of the raw emotions that surround the subject of death. But by bequest and inheritance, but ultimately their advice tends to focus on more practical matters: maximizing taxes, preserving capital and making sure that heirs are adequately provided for to live or pay them.

Inevitably, however, nearly everything involving bequests and inheritances requires delicate handling. By definition,

someone who sits down to plan an estate must come to terms with his or her own mortality. When a death does occur, the survivors are faced to deal not only with the loss of a loved one, but the prospect of seeing in stark black and white—the terms of a will—how the deceased really felt about them. Whatever the issue, behind the doorway of the assets, it is difficult for even the most sensible person not to feel that if brother Joe inherited more, it was because he was more loved. "With just touch on a whole package of sen-

EARTHLY SPOONS
Respecting the wishes prior to an estate sale at Rachel's Auctioneers and Appraisers in Toronto

sitive areas," says Michael Sullivan, co-artistic director of the clinical program in the psychology department at Dalhousie University in Halifax. "Avoidance is the preferred method of dealing with these issues."

Experts say it is seldom money alone that causes friction among beneficiaries. Instead, people are much more likely to fight over personal effects, whose sentimental value often far exceeds any financial considerations. A woman's jewelry, for instance, may be coveted by several daughters and daughters-in-law, each of whom wishes to pass it on to her own children. The challenge of trying to pass on a family



business can also expose raw nerves. For many the biggest single source of strife is that quintessentially Canadian institution, the family cottage.

Those and other difficulties can arise even in cases where family members tend to get along and the estate is relatively well planned. The problems are compounded when there is a black sheep in the family fold, there are estrangements involved, or the estate has been poorly planned—or not planned at all. In some cases, survivors may simply take by unscrupulous or even illegal means what they perceive to be rightfully theirs. In other instances, an individual who feels aggrieved may turn to the courts to challenge the will. Even if the suit is groundless, it can tie up the estate for years.

Vancouver psychologist Patricia Donahue has experienced firsthand how easily a family can be ripped apart. In early 1987, she drove to her childhood home in Dalhousie, N.B., to care for her dying mother following a heart attack. (Donahue's father had died several years earlier.) One of the sibling women's sisters, Jane, had witnessed a will that divided the estate among her nine children. But the day after the funeral, a family member confronted Donahue and one of her three children at the door of her mother's house where they had been staying—with a shotgun. "He stepped outside and said anybody who came near was going to get it," recalls Donahue. "I was afraid he would kill someone." The following day, Donahue returned with several other siblings, together, they convinced their relative to let them inside long enough to retrieve their belongings. On her way out, Donahue grabbed a pile of sewing scissors. "That's the only moment of stress that I got," she says.

There was more trouble to come. It turned out that Donahue's mother had prepared a subsequent will leaving the entire estate—including the house, an orchard and enough land to hold four more houses—to one of the brothers. Along with two of her siblings who still lived near the mother's house, Donahue decided to contest the second will. But after she returned to Vancouver, the two New Brunswick-based siblings withdrew and so Donahue dropped the suit. Years later, Donahue's relationship with those three remains shattered because of the estate transfer fight. Says Donahue: "My family all thought it would be pretty straightforward, and look what happened." Without exception, experts say the best way to avoid problems for parents and children is communicate openly long before the need

to deal with such questions arises. That research also notes just how difficult it is for Canadian families to broach money-related topics. In a 1997 study for Truemark by the polling firm Environics Research Group Ltd., respondents said that discussing financial matters with their parents was as difficult as discussing death—although, thankfully, rather than talking about one, among those who expected to inherit money from their parents or siblings, nearly half (47 per cent) had no idea how much they would be receiving.

Dillon's Sullivan is not surprised by these findings. "Money touches so many tender psychological points," he explains. "For example, if I'm having money difficulties, I don't want people to know that, because it implies I haven't been able to manage my 50 annual life. Or if we're doing well with money, the implication is that we have this pile because we're somehow selfish and we may actually have been shrewd or dishonest in acquiring it." Adds Sullivan: "Whether we're doing well or poorly, it's not something we can just chat about casually."

The issues become even more complex when the conversation is about bequesting or inheriting money. "The dividing up of the pot is going to generate relative to participants in the family," says Sullivan. "Certainly, there are planning or dividing things up, but they're not going to bring up the issue. And if I ever had income thoughts about my standing in the family, I'm not going to bring it up either." In fact, Sullivan agrees that "I would never discuss it," he says. "My brother and I, so I'm not going to bring it up with him, and my mother as long as my brother goes, so I'm not going to bring it up with her either."

In many cases, older people have much more conservative attitudes towards money compared with today's teen-spirited baby boomers. The generational tension during the Great Depression typically inherited life from their own parents and worked hard for everything they got. As a result, they feel that the money is theirs, they can do with it what they please and they don't have to explain their actions to anybody. And from a legal point of view, they are largely correct. In every province and territory, legislation requires that people writing wills provide for their spouse and any dependent children. But beyond



CHERISHED MEMORIES Deputies with her mother's sewing scissors, Beverly (right) with photographs of her father, who died before they could talk in detail about his estate.

about parental capacity, a reputable estate planner would normally consult a physician. The courts themselves are starting to provide a measure of protection against frivolous suits, says Paul St. Louis, a senior real estate planner with Royal LePage in Ottawa. Lawyers are increasingly requiring those who launch a suit without merit to pay their own costs, rather than forcing the estate pay.

As estate planners like to point out, last testament does not necessarily mean equal treatment. Catherine Roberts, a lawyer responsible for the trust and estate planning practice at the law firm of McMillan Teuch, says there are sometimes valid reasons for a client to provide for an unequal distribution of an estate to a spouse or child, or even include a natural beneficiary absent. There might have been an estrangement between parent and child, or one child might have been more caring and attentive. Roberts suggests that in such instances, it helps if the deceased has left a letter to be opened



Often, one of the most sensitive and highly charged areas of estate planning is deciding what to do about the family cottage

at the reading of the will. "If they explain the reasoning, feelings may still be hurt," says the lawyer, "but at least people will understand why they did what they did."

While such letters do not have the legal status of wills, they often carry a great deal of moral influence. Cecile, a Vancouver office manager who doesn't want her real estate used, wishes her mother had left a letter explaining her intentions when she died at cancer 32 years ago. And often the case, her estate estate went to her spouse. But recall by Cecile and her sister were hounded to learn that their father plan to leave everything to his second wife. As a result, they will not inherit any of their mother's cherished possessions. "We're not talking any thing of any real value—just some of her clothes and house hold articles," says Cecile. "But we're really bitter that that appalling woman will get our mother's things."

Family-owned businesses can also turn into emotional land mines. Even when only one of several siblings is willing and capable of taking over the company, the parent is often consumed with guilt because of his or her desire to treat the other children fairly. It is a really important that families be honest with themselves and others about what they want to have happen to their businesses after they are gone, says Melvin Zimmerman, a senior manager in the tax group at a Vancouver office of KPMG, an international consulting firm. "A lot of Vancouver offices of KPMG, an international consulting firm. "A lot of times, they don't want the business to succeed," she says. "It comes out in the end that they don't want to think that someone else can do it better than they did. Sometimes, if you get down to the nitty-gritty, it's why they won't sit down to discuss what they want. They want the family to sell the business."

Deciding what to do with the family cottage can be even tougher.

How to broach the subject

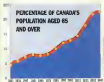
Adult children often dread the prospect of discussing inheritance with their parents for fear of sounding greedy—yet, worse—ingratitude for their parents to die. Some expert suggestions on how to broach a conversation:

- Listen carefully for any openings. If parents mention that they are thinking of leaving the estate called to one of their children, they may be hinting they are ready to talk about the rest of the estate.
- Keep it neutral, perhaps by discussing your own plans or asking if they would like to consult a financial adviser or other third party.
- If the subject is particularly sensitive, stress that you don't need to know the details of their estate plan—just that they have, in fact, one in place.
- Talk about the consequences of not having an estate plan. The property will eventually be passed on to the next of kin according to a set formula that varies from province to province, but the transfer will take time and may not be in accordance with the deceased person's wishes.
- Start a new family tradition by discussing your estate with your own grown children. And encourage them to consider their own estate plans. Young adults, especially those with a company insurance plan, often have more assets than they realize.

GOLDEN YEARS

The state of the population that is aged 65 and over has been rising fairly steadily ever since the federal government started to keep good records in 1921. In that period of time, there has been only one slight dip, between 1951 and the late 1960s—mostly because the postwar baby boom caused a decline in the average age of the rest of the population.

More recently, says John Kettle, a consulting futurist based in Ottawa, Ont., the growth rate of the seniors' population has slowed, primarily as a result of the smaller number of people turning 65. The reason, Kettle says, is that there were markedly fewer people born in the years after the First World War and during the Depression, when economic pressures



led many families to have fewer children.

Conversely, the rapid increase in the seniors' population that is expected to occur between 2010 and 2030 will be caused by the aging of the baby boomers at a time when the rest of the population will be growing more slowly.

"When a chest comes to plan his or her estate and there is a cottage among the assets, I usually say, 'Whoa, I better put aside a little larger than the norm for this conversation,'" says lawyer Roberts. "Rarely, in my experience, has this been straightforward." Often, the parent wants the cottage to remain in the family forever, she says. But if the offspring are geographically dispersed, that may not be practical. Should siblings who live far away consent an ownership share, equal to those who live nearby, even though they may never use it? Who will be responsible for the property's upkeep? Sometimes, says St. Louis, only one of the children actually wants the cottage, the others may be happy being bequeathed other assets. The best way to determine this is for everyone in the family to discuss the various options openly long before the need arises.

Oliver Terrell, a senior business lawyer, has learned the hard way the importance of broaching such difficult topics with his parents. Budget, 35, a home-maker with two small children, grew up in a typical middle-class Italian-Canadian family. "With my parents living as frugal as they were," he recalls, "I found that it was hard for them to trust even their kids with money." Budget's father died in February, 1997, after being diagnosed with Lou Gehrig's disease three years earlier. Suddenly, Budget found himself having to assume all of the administrative and tax-planning duties for her mother, while juggling her father's investment portfolio. "When someone dies you have a really tough day," says Budget. "Before that, we didn't talk about money issues. These days, if I ask my mom, she'll answer me: 'I talk my way or I'm cheap, but not talking about such things can take both an emotional and a financial toll."

With JUDY ANDERSON in Vancouver and JULIE GAZDIN in Toronto

No time like the present

Why estate planning has become a hot-button issue

BY SANDY PIPE

Financial guru Jerry White can always pick the horse even at noon in the middle of one of the worst bear markets in his 30-year career. On this particular occasion, about 120 financial advisers, mostly seniors, have gathered in a suburban hotel to hear what the well-known author and broadcaster has to say about estate planning. "Jerry White explains and advises, but he doesn't press you to put into a particular investment," says Michael Pizzuti, a retired real estate broker who is attending the event. "He's concerned about seniors, and he happens to be here."

Apprehensions notwithstanding, the free, two-hour program turns out to be little more than an endorsement for a universal life insurance. White puts on a good show, so to say. The audience nods, laughs and groans as he sprays it with his trademark mixture of facts and figures, carry along and potshots at greedy old Revenue Canada that he begins and ends by playing universal life and the estate-planning expert by Jerry Lewis, an adviser with Portus Financial Corp., a national chain of financial planning shops. Lewis, it turns out, has sponsored the event to drum up business for himself and his two associates, chartered accountant Carmine DiStefano and lawyer Gary Cass. "When you bring this stuff together, magic things will happen," White proclaims. As an added incentive, White tells audience members that if they sign up on the spot for a free consultation, they will be eligible for a door prize.

Estate-planning seminars are as ubiquitous as diet doctors these days, and for good reason. Canada's 6.9 million baby boomers are moving into their 50s, watching their parents age and die, and gradually coming to grips with their own mortality. In the 1970s and 1980s, when members of the same generation were entering the housing market in droves, real estate prices took a sudden upward turn. By the early 1990s, the mutual fund industry was experiencing rapid growth as boomers started saving in earnest for retirement. Now, the focus appears to be shifting again, and the result is a demand for information about wills, inheritances and executor services.

Financial services companies design their marketing campaigns around the life cycles of their customers. At the Bay-

view generation ages, the industry has started to look beyond retirement as a subject less dear to people's hearts—living. But some industry officials caution that buyers should beware: many firms are taking advantage of the confusion to aggressively push products and services that are overpriced or simply unnecessary. "Estate planning is a hot button," says David Christenson, a financial planner with Macdonald Shynuk & Co., a fee-only financial planning and investment counselling firm with offices in Winnipeg and Vancouver.

Christenson himself runs between six and 10 seminars a year on estate planning, plus another 30 or 35 that deal with a broad range of financial topics. His sponsors include five brokerage firms and a group of senior centres. "I'm careful about the people to whom I'll lend my name," says Christenson. The key distinction in his case is that he charges clients an advisory fee and does not accept commissions on the products he sells. Adds Christenson: "I don't want to be used as bait to attract people to product vendors."

At its most basic, estate planning means arranging a will and finances to simplify the transfer of assets to heirs. For most people, it is not a do-it-yourself project, if only because that approach can produce disastrous results for those left behind. Yet a little advice goes a long way, Christenson and many other planners say. Most people's errors are fairly simple, and what they re-

quire more than anything is some straightforward advice on the options available to them. Only then can they decide whether it is worth spending money on more elaborate products and strategies such as additional insurance policies, speculative investment funds and professional executor services.

Nobody really knows how big the estate-planning pie is. But combine the enormous financial assets Canadians have amassed outside of pension plans in the past two decades with Canada's rapidly ageing population, and a business appears to be in the making. Many estate-planning experts believe the amount of wealth passing from one generation to the next is growing every year. And they expect it to soar after 2006, when many boomers—presumably enriched by their own investment gains and inheritances from their parents—start moving into their 50s. "Our whole industry is investing heavily at processes and systems to make estate settlement more efficient," says Rob Hain, senior vice-president of global private banking and trust services for the Canadian Imperial Bank of Commerce. "I expect the industry will double the volume of the trustee business in 10 years, and sustain that peak for 15 years after that."

Trust and insurance companies once dominated the estate-planning market. Now, investment dealers, financial planners and even some mutual fund companies are fighting for a piece of it, too. The battle, says Thomas Giroux, senior vice-president of retirement and estate services at Merrill Lynch Canada Inc., is partly a result of the blurring of distinctions between what used to be the four pillars of the Canadian financial system—banks, trust and insurance companies, and investment firms. Today, banks and trust companies all sell investment products, while mutual fund companies are also beginning to offer estate-planning funds—a type of mutual investment product that combines the potential gains of the stock market with some form of guaranteed protection of principal. Meanwhile, investment dealers are providing some banking services and many individual brokers and financial advisers are licensed to sell insurance.



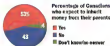
Merrill Lynch (formerly Midland Mutual Capital Inc.) was one of the first Canadian investment dealers to take a shot at the estate-planning business when it recruited Giroux from the private banking field six years ago. Now, about 60 per cent of the firm's 1,300 brokers—the preferred term today is "financial advisers"—are licensed as well insurance. The company also has insurance specialists on staff and an informal "expert network" of lawyers and accountants a phone call away.

Like most of his competitors, Merrill Lynch is hoping that clients use its financial consultants as their entry point into estate planning. The idea is that the consultants will take care of the clients' insurance and investment needs, then steer them to lawyers who can help them create a will and deal with such questions as whether to grant someone power of attorney over their affairs in the event of incapacitation. Should the estate in question be large enough and the tax issues sufficiently complicated, the consultant might also call in an accountant who can advise the client on complicated tax reduction measures such as estate freezing, which transfers any future appreciation in the value of selected assets to the eventual heir.

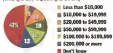
Giroux's department spends a large part of its marketing budget on estate-planning brochures and seminars, hoping to attract consumers who have begun to think about estate planning, but have yet to take action. Giroux himself writes most of the literature and appears at as many as 75 seminars a year across the country. "The Victoria branch will call and say, 'We've got 500 people on such-and-such a night—can you come out?'" he says. "It'll put the words 'estate planning' or 'retirement planning' in their heads."

Little wonder: A recent survey by Emory Research Group Ltd. for Dimark Investment Management Inc. found that more than 50 per cent of Canadians expect to receive an inheritance from their parents among those who volunteered a dollar amount, half expect to receive more than \$50,000. In another survey, sponsored by the CIBC, almost 60 per cent of respondents said estate planning is an important concern to them. And last year in Ontario, the first Make-a-Will Week, sponsored by the Canadian Bar Association, the Law Society of Upper Canada, and several corporate and charitable organizations, proved so popular that it has now become Make-a-Will Month. This year's version, which runs through October, is being marked with seminars in 20 communities across the province, up from 23 last year. Toronto estate lawyer Ed Gilroy, one of the founders of the program, says

GREAT EXPECTATIONS



Value of anticipated inheritance (among those expecting to inherit)



(Numbers do not add up to 100 because of rounding.)
 Source: Emory Research Group Ltd. / Dimark Investment Management Inc.



KEEPING A WAVE Merrill Lynch's Giroux travels the country giving seminars on estate planning

other provincial law societies are hoping to launch similar events.

Of course, one reason estate-planning seminars are so popular is the pitchman firmwares to promote them. Stripped to its essentials, it goes something like this: The government is out to grab what should rightfully go to your children and grandchildren, so don't even think about dying unless you've got a non-performance strategy for surviving. *Journalist Canada*, inspired by a mass effort, has and financial experts and members of your broker, trust officer, insurance agent or financial planner.

That kind of message, while useful for whipping up fear among prospective clients, is highly misleading, according to many experts. For one thing, there are no estate or inheritance taxes in Canada, merely capital gains and income taxes that are payable on the deceased person's final tax return. "If your estate consists of the family home, some non-RRSP investments and maybe some money in a RRSP, like the vast majority of estates, there will be very little to tax away," says Paul Borchers, a financial planner with Polson Borchers Financial in Toronto. He adds, "People should make these estate-planning seminars and sales pitches with a gigantic grain of salt. You may learn something useful from them, but they aren't done as a public service. Somebody's got an axe to grind."

Often, the goal is to push people into signing up for corporate executor or trustee services, or a life insurance policy to cover taxes at death. But those products and services are expensive and most people do not require them, says Warren Haldwin, a fee-only financial planner with T.E. Financial Consultants Ltd. in Toronto. In most provinces, for instance, corporate executors are entitled to charge as much as 10 per cent of the total value of estates they settle. According to Haldwin, it is usually cheaper and just as effective to appoint an executor a friend or family member, then empower that person to hire a financial planner or lawyer by the hour when needed.

Another expense that can be of questionable benefit is whole and universal life insurance to cover taxes after death. The premiums are often several thousand dollars a year, a poor investment if the estate is small or the client needs the cash now. "We're not here just to help people leave the biggest possible pile of money when they die," Haldwin says. "The priority should be to make sure the client has enough to enjoy what's left of his or her life." Adds Borchers: "There's a danger in so-called package selling, where a firm advises all its clients to do something like buy enough insurance to cover the tax on their RRSPs. It may solve one problem but cause another."

In fact, there are many ways to minimize taxes and provide the cash to pay them, and a good adviser should be able to explain the alternatives. But finding someone who fits that description is sometimes easier said than done. "I think consumers are mistakenly confused about who they should turn to for advice, and the reason is there is so much noise as to 'who's who' in this industry," says Jim Lipner, president of The Royal Group Financial Advisors Ltd. in Vancouver. "It's not like being a doctor. An estate planner, like a financial planner, is anyone who chooses to call himself or herself that."

Jerome Gundy, a financial planner with Equine Securities Canada Ltd. in Dorchester, N.S., says he often sees ads in the newspaper for



FINANCIAL CONFUSION Consumers, says Rogers, do not know where they should turn for advice

estate-planning services by people who are merely sales representatives. "They have no professional qualifications at all. They'll get a lawyer to give the talk, but that's not who you end up dealing with," says Gundy, who is president of the Halifax Estate Planning Council. Because the field is unregulated, Rogers tells people who are looking for an estate-planning adviser to ask colleagues for references, along with a written account of their qualifications, services and prices. Another option is to pick up an estate-planning kit at a bookstore. But that approach entails other risks, such as overlooking important tax or legal consequences. For instance, says Haldwin, people may feel they are being fairly treated out of their two children the direct beneficiary of a \$800,000 retirement income fund, and selling the other the bulk of the estate's principal residence also worth \$800,000. But while the house would not be subject to capital gains tax, the estate will

be responsible for paying income tax on the RRSP. As a result, the house may have to be sold—shortchanging one of the heirs.

Perhaps the worst thing a person can do is to leave behind a mess. Toronto writer Wayne Lilly spent the better part of a year trying to wind up his father's estate, of which he is executor. His father's will, dated in 1986, was handwritten and unattested. Lilly had to find someone to testify in court that the handwriting was his father's. He also spent many weeks tracing old stock certificates to see whether they still had value, and trying to determine how much his father paid for the shares in order to calculate the capital gains.

Stories like these are a strong incentive to seek, at least some assistance when putting an estate in order. As a minimum, experts say, people should have their lawyers look over their wills and personal-estate papers. If the estate consists of significant assets beyond the family home—or if there are complications such as a second marriage—they advise consulting a lawyer, accountant or financial planner who is knowledgeable about estate planning issues. Still, it need not be an expensive or time-consuming project. "Most estates are relatively simple, and the planning required is not terribly complex," says Haldwin. Aging baby boomers and their parents, can be thankful for that. □

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Getting started

A modest amount of work now can pay off down the road

In a survey conducted last year by the Canadian Imperial Bank of Commerce, 53 per cent of respondents ranked estate planning as important. But when the same bank asked an exclusive adviser they had actually done any estate planning, 53 per cent said no.

People tend to avoid contemplating their own mortality and, not surprisingly, often resist to plan for the distribution of their financial assets and other property when they die. Yet for their own sake and the sake of their heirs, every adult should have at least a basic understanding of inheritance law and the tax treatment of the property they have inherited, says Sandra Foster, a financial adviser with Equinox Securities Canada Ltd. in Toronto and author of *You Can't Take It With You: The Common-Sense Guide to Estate Planning for Canadians*. According to Foster, it is particularly important that anyone with young children or other dependants make a will outlining the provisions for their estate. What follows is a summary of expert recommendations for an estate plan.

LIFE INSURANCE

Policies that provide a tax-free lump sum to a named beneficiary on the death of the policyholder are primarily intended to provide dependants who would otherwise be left without a breadwinner. When purchased for that purpose, insurance usually makes good financial sense. Other proposed uses, however, such as paying the policyholder's final income-tax bill, should be subjected to a thorough cost-benefit analysis, says Foster.

There are two kinds of life insurance: term and permanent. Term insurance policies, which must be renewed periodically, are less expensive in the early years than permanent insurance policies, which can include savings or investment plans. Permanent insurance tends to carry higher sales fees as well as higher premiums.

WILLS

Many people fear that the government will claim more of their assets if they die without a will. That is not the case, although in the absence of a will, provincial inheritance laws may determine who gets how much. The law could also require that assets be liquidated, with each child receiving a full share equitably.

Other legislation can also affect how an estate is settled, says Catherine Roberts, an estate lawyer with the Toronto law firm of McMillan Bloch. For example, if a will gives a spouse less than 50 per cent of the estate, he or she can claim a so-called equalization payment from the estate, rather than the amount bequeathed, by

increasing rights under the Family Law Act of Ontario. Similar provisions are in effect in other provinces.

To avoid complications, experts advise seeing a lawyer to draw up a will, appointing guardians for any dependent children and detailing who gets what. Most lawyers will draft a simple will for a few hundred dollars, and then make changes required by births, deaths, divorces and other family events for a similar amount. A lawyer who is a general practitioner should also refer people to a specialist if the personal situation is complicated enough to warrant it, Roberts says.

PROBATE FEES AND TAXES

After death, it is the executor's job to determine whether or not a will needs to be probated—certified as valid in probate court. Probate fees vary from province to province; in Ontario, where there is no cap on them, they can amount to as much as 1.5 per cent of the gross value of the estate. It is possible to sidestep probate fees by using methods other than bequests to transfer assets to heirs. For instance, investment plans such as RRSPs and RRIFs can be distributed by naming beneficiaries. Probate fees can also be avoided through joint ownership of assets with the intended heirs. Caution is recommended, however: if the child dies divorced while the parent is still alive, jointly owned mutual funds or a jointly co-titled cottage could be part of the marital property that is on the table.

Although Canada has no estate taxes as such, income tax must be

paid on tax-deferred schemes such as RRSPs and RRIFs on the deceased person's final tax return, unless they are rolled over to a spouse. Capital gains tax is also payable on property and capital investments such as company stock, which are deemed sold on death even though they may have been never sold to heirs. (Key losses can be used to reduce the final tax bill.) The one major exception is the principal residence, which is exempt from capital gains.

TESTAMENTARY TRUSTS

The trust is a legal device that can be used to manage assets and control their use after death. It is administered by a trustee, who is responsible for filing a trust tax return and paying taxes, making investment decisions and distributing the assets and income according to the terms of a will that established the testamentary trust.

Often, testamentary trusts are used to provide for a spouse's financial needs while making sure that children ultimately inherit the bulk of the estate. In such cases the spouses generally avoided the use of the assets in the trust and any income they own, the assets themselves go to the children after the spouse's death or would have done so if the spouse were especially popular when someone has occurred and last children from a previous marriage.

Other common uses for testamentary trusts are to provide for a disabled child or relative or to reduce a spouse's tax on income from taxable capital wealth to last or last.

EXECUTORS AND TRUSTEES

The job of an executor is to shepherd a will through probate court and ensure that its directions about the distribution of assets are fulfilled. Technically, trustees

When to call in the experts

The more money you have and the more complicated your financial affairs, the more likely you are to benefit from estate-planning advice. In particular, you may want to consult a professional estate planner if you:

- are married and have children from a previous relationship;
- have a large amount of money in RRSPs or RRIFs and are worried about the impact of income tax on your estate;
- have large unvested capital gains on investments or property, and want to minimize the tax liability;
- own your own business or a holding company;
- want to maximize your donation to a favorite charity;
- put a high priority on minimizing taxes and probate fees.

perform a different function—managing assets left in trust—but the two terms are often used interchangeably. When picking an executor, people should look for someone who is competent in handling financial matters, willing to take on the responsibility, and young enough to outlive the author of the will. (It also is suggested that people name an alternate in case the other person is unavailable when the time comes.) To save money, most people choose a family member or friend. But if the duties are complex, or the family fractious, a corporate executor may be the answer.

In most provinces executors are entitled to charge up to five per cent of the gross value of the estate. Often, however, trust executors will negotiate a fee based on the size and complexity of the estate, says Bob Hain, senior vice-president of global private banking and trust services for the Canadian Imperial Bank of Commerce. He advises people to shop around.

POWERS OF ATTORNEY

A power of attorney is a legal document giving someone the authority to act for a person who becomes incapacitated. There are two types of power of attorney. One confers the authority to make financial and other personal decisions; the other gives the holder the right to make personal care decisions—for instance, to furnish surgery or request an end to life support in the late stages of a terminal illness.

When appointing executors, experts say, it is a good idea for people to formalize their wishes in a living will—a document setting out guidelines for managing financial affairs and medical treatment in case they become incapacitated to make their own decisions. Disputes arise for powers of attorney and living wills are available in many bookstores. Alternatively, a lawyer can draft the necessary documents.

SANDY FIFE

Costs that are all over the map

Probate fees—the amount charged by the courts to certify a will as valid—vary from province to province:

BRITISH COLUMBIA: \$200 for estates under \$25,000, \$200 plus \$6 per \$1,000 for estates between \$25,000 and \$50,000, \$250 plus \$4 per \$1,000 for estates over \$50,000.

ALBERTA: Rates start at \$25 for the first \$10,000, increasing to a maximum of \$1,000 for estates of \$1 million or more.

SASKATCHEWAN: \$12 for the first \$1,000 or less, \$7 per additional \$1,000.

MANITOWA: \$6 per \$1,000.

ONTARIO: \$5 per \$1,000 for the first \$50,000, \$35 per additional \$1,000.

QUEBEC: No fee for wills drawn up by a notary, \$66 for so-called English form wills—type-

written documents in French or English that are signed by the individual in front of two witnesses.

NEW BRUNSWICK: \$5 per \$1,000, increasing to \$800 for estates of \$250,000.

PRINCE EDWARD ISLAND: Rates start at \$50 for the first \$10,000,

increasing to \$400 for estates of \$100,000, \$1,000.

Beyond that, \$4 per \$1,000.

NOVA SCOTIA: Rates start at \$75 for the first \$10,000,

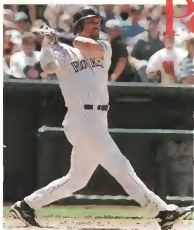
increasing to \$800 for estates of \$250,000.

Beyond that, \$5 per \$1,000.

NEWFOUNDLAND: Just fees of \$60 for the first \$1,000; \$0.50 per additional \$200.

People

Edited by
TANYA DAVIES



Walker, his batting title didn't ease the disappointment of failing to make the playoffs

The Canadian hit man

Florida Rockies star **Larry Walker** plays the outfield with reckless abandon, diving for fly balls and crashing into walls, so it is no surprise that he finished the major-league baseball season with debilitating back and elbow injuries. Those ailments hindered his swing, and the 31-year-old from Maple Ridge, B.C., was unable to catch the astounding home-run and runs-batted-in totals that earned him the 1997 most valuable player award in the National League. Still, the banged-up slapper reached an amazing milestone last week, edging former Toronto Blue Jay **Julian Javier** for the NL batting title. Walker's batting average—his hit per at-bat—was .353, average—was the first won by a Canadian since St. Louis outfielder **Tip O'Neill** of Woodstock, Ont., hit a whopping .415 in 1967.

The title did not ease Walker's disappointment that the Rockies finished fourth in the NL West. "The bottom line is we're not going to the playoffs, regardless of what I did," he says. "I won the MVP that's great. I won the batting title, that's great. But I'm in this game to win a championship." And Walker's accomplishment was overshadowed by the epic home-run duel between **Mark McGwire** and **Sammy Sosa**, which captured first attention all year. McGwire, the hulking St. Louis first baseman who won the first to break **Roger Maris's** 37-year-old home-run record of 61, finished the season with an astounding 70, four more than Chicago outfielder Sosa.

But after he hit 366 last year, Walker's 1998 title cemented his reputation within baseball as one of the game's most feared hitters—and surprises the man who did not hit better than 300 in the minor leagues. "I never in my wildest dreams imagined hitting 300 one year in a row," Walker says. Given an off-season to heal, he may start dreaming of three in a row.

A harmonized life

To call **Catherine Munoz** an over-achiever is an understatement. The 17-year-old Toronto violist made her first stage appearance at the age of 4. She won the top prize at the Canadian Music Competition when she was 12, had her solo debut (with the Vancouver Symphony Orchestra) shortly afterward, and made her European debut in Paris at 16. Her first CD, *Elgar and Shostakovich*, was released in March, and she is recording another in December. The CBC is using one of her recitals on Oct. 26, and next year she is booked for an eight-city tour of Japan. On top of all that, Munoz skipped Grade 12, and she maintains an A average in school despite the fact that she must rely on e-mail instruction from her



Munozian, an achiever because "I'm organized"

teacher when she's performing out of town. "I'm just a normal person," insists Munoz, who practices three to five hours daily. "I'm able to do all this because I'm organized."

Munozian grew up with the violin. Both of her parents, **Herbert and Marika**, trained as solo violists in Europe before moving to Canada. Munozian first picked up the instrument at age 3, and when she was 6, her parents began teaching her (together with her two older brothers) play. At 13, she started traveling to New York City to study with renowned violin teacher **Dennis DeLay**. In the past four years, she has performed in concert halls across North America. How does she respond to being called a child prodigy? "It's OK, but it's not what I call myself." Which is? "A musician."

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Education NOTES

A virtual presence at school

Fighting off three chronic illnesses takes a lot out of a six-year-old. Last year, Olivia Blackmore was absent 75 days from her senior kindergarten class, and every time she returned it was like the first day of school all over again. But this year, the injury girl is not going to miss school—or at least the social interaction that a Grade 1 class provides. Thanks to an egg-shaped robot called FEBBLES, Blackmore is assured at least a virtual presence in her classroom at French-speaking Gabrielle-Roy elementary school in downtown Toronto. Using a Nintendo-like control stick from her home, she can turn FEBBLES' head to follow the discussion and even raise its hand to get the teacher's attention. Two-way communication means she can hear everything that is going on in the classroom and contribute her "two cents' worth" via a computer screen. Olivia typically signs on after the morning recess for an hour and a half and then is strong enough to go to school on her own for the afternoon. "FEBBLES has made a great difference in our lives," says Madeline Branson, Olivia's mother. "It has allowed Olivia to get her real in the morning, which she desperately needs."



Blackmore's window on her Grade 1 class: maintaining social interaction during illness

The creation of Graham Smith, an artist and president of a small interactive firm, Telitronics Inc., the \$80,000 kid-friendly FEBBLES, which stands for "providing education by bringing learning environments to students," has been undergoing trials from hospital rooms in Toronto and London, Ont., for more than a year. Meanwhile, the Bay department store is getting into the act by donating a dollar from every sale of its Wayne Gretzky clothes, it hopes to put a FEBBLES in a dozen children's hospitals across Canada by the end of 1999.

Coping with a strike's aftermath

When the three-week labor dispute kept nearly 200,000 Ontario students from their classrooms last month, many-scholar Laura Desrosiers was deluged with phone calls. The co-publisher of *Educare*, a newsletter with a readership of 3,000, says interest in do-it-yourself teaching soared during the dispute, with parents anxious to find Ontario course materials. But will those parents stick to home educating now that schools are open again? They may have to. For the majority of the mostly Catholic students who had an extended summer vacation, the rest of the school year looks like a pretty tough haul. The back-to-work law that ended the 15-day strike and lockout included a requirement to make up lost time. The nine public and seven Catholic school boards that were ordered back are now considering shorter Christmas and March breaks, longer school days, fewer extracurricular programs and, in at least one case, Saturday classes. For some planning to graduate from high school in the spring, the pace can get even more hectic. Because of pressures from a handful of universities, includ-

ing Queen's in Kingston, Ont., and the University of Toronto, which were bringing about losing top students to the United States, academics for next year's freshman classes are to go out in March—three months earlier than previous years, the application deadline was to have been moved forward as well, to Dec. 4, but is now being held back a few weeks because of the strike. Even so, with the labor scene still "a dog's breakfast," in the words of Marshall Jarvis, head of the Ontario English Teachers' Association, getting an education in Ontario this year is going to be something of a challenge. The back-to-work law only affects the right of 72 boards who were on strike or in a lockout; rotating strikes and other protests are still under way in many cities. And for a set of government-inspired reforms that were supposed to get underway in the province's education system, teachers are now going back to class with greatly varying workloads, depending on where they were in the negotiating process when the official school year was to have begun.

McClassroom rebellion

In the broad-sense classroom as inevitable byproduct of the fast-changing tempo on Canadian campuses? Maybe not. The University of Victoria is thinking about backing the trend—that is, if its corporate friends agree. Some companies, including the Royal Bank, Inco, Canadian Pacific and Merrill Lynch, had been assured that their \$125,000-plus gifts would earn them a named classroom on the new Centre for Innovative Teaching. But at last week's board of governors meeting, when students expressed their discomfort with what they called "McClassrooms," Victoria's president David Strong agreed to present his corporate donors with an alternative: the creation of a donor walk, inspired with their names. If that idea does not fly, Strong told the governors—to the chagrin of the students in the audience—he will propose that each corporate replace its company name on the classroom door with that of an individual of their choice. To date, none of the classrooms on the main 16-hectare, wooded campus and only two on the downtown campus have a corporate name attached, even though Victoria settled 903 donations during its most recent five-year capital campaign. But according to recently revised university policy, a \$125,000 to \$245,999 gift buys a donor a named classroom, plus a private lunch with the president. No contracts have been signed, but those companies who have pledged money have done so on the basis of a policy that promises them corporate recognition—and which may now be changed if the board of governors has second thoughts. For Strong, who is currently canvassing his list of sponsors, the situation is awkward: "I always worry. They didn't have to give us anything."

CHALLENGE OF THE HIGHWAY



BY DAVID JOHNSTON

We live in a remarkable time in history. Two four-letter words beginning with C best capture this truth: chip and code. The chip is the silicon semiconductor circuit, which has triggered the information revolution. The code is that of the human genome: thanks to advances in molecular biology, built on powerful microscopes and computers, we are about to decipher the entire blueprint for human beings. Both these words have profound implications for the human condition: they open a galaxy of questions about change, choice and challenge. In terms of change, the information revolution is creating deep and broad disruptive branches in our society: disruptions equal to those of the agricultural or industrial revolutions. But the pace of change is faster than before. It comes in weeks and months rather than decades and generations. And the choices before us are untraveled. This revolution gives us a new set of tools. With such an abundance, how do we move from data to information to knowledge to wisdom? How do we acquire and exercise the critical thinking to choose the right questions to ask the information we need to improve our lives? Finally, the question of challenge: can our society establish a balance, among these tools to increase wealth, strengthen social and civic cohesiveness and enhance political liberty?

Look back in history to the discovery of fire, the Stone Age, next the Bronze Age and then the Iron Age. Consider the transition from hunter-gatherers to farmers, from human power to animal power, the introduction of water power, steam power, electricity, the telephone, automobile and airplane. Each of these had substantial transforming effects over several generations. Moore's Law—attributed to Gordon Moore, the former CEO of chipmaker Intel—predicted that computer capacity would double every two years, thanks to the increasing ability to concentrate more information on a silicon chip. And for more than two decades, it has powered the information revolution. Fundamental "substance" research to discover how to store information on the inside surfaces of an atom—rather than on its external circumscrip-



tion—may allow for further capacity breakthroughs. In long-distance communication, distance is dead, thanks to this science and consequential telephone rate wars. Instant communication from one corner of the globe to the other is almost instant, and virtually cost free. The story in this transformation—a classic sword-to-plowshares story—is particularly striking. The Internet began three decades ago as the highly secret, tightly controlled communication network of the U.S. defense department. Anticipating a Third World War, the generals designed a fail-safe web of computer communication links which, in the event of a nuclear bombing, would still allow the commander-in-chief to deploy U.S. nuclear weapons. Clever minds began to use the system for confidential communications between the defense department and research scientists doing classified research across the country. Gradually, the scientists began to use it for communication among themselves. Then, came the deluge: their graduate students discovered their Internet. There was its hatching back. From that point on, it evolved into an

extremely cheap, largely ungoverned, ubiquitous interactive communication network of free spirits. Only recently has it been discovered by business, which hopes to turn the plowshares into instruments of harvest.

This brings us to the issue of choice: should we use these tools and how? Again, we must return to history for lessons. An appropriate place to stop is 500 years ago when Gutenberg's technological revolution was followed by Martin Luther's social and cultural revolution. Johannes Gutenberg, a German jeweler, went bankrupt in his attempt to commercialize his printing press or movable type. It was not until several generations after his death in 1468 that Luther made his 40 pieces to the Wittenberg church door. Gutenberg's technological breakthrough grew social and cultural legs. Why? Because Luther translated the Bible into vernacular German, as John Wycliffe did in English. In the Middle Ages, the most important relationship was that between the individual and God. By making the language which informed that relationship accessible, the individual and God were no longer separated by priests, bishops, cardinals or popes. People could become informed on their own and begin to think critically. This spurred the Protestant Reformation, followed then by the Age of Reason, the Industrial Revolution and modern liberal democracy.

In Victor Hugo's *Manoel of Notre-Dame*, written in 1831, the

King of France visits the archdeacon of Paris in his cloister in the Cathedral of Notre-Dame. The cleric points to the printed Bible with one hand and to Notre-Dame with the other and says: "This will destroy that." "That" represented the printed press, and lay understanding of the Bible. "That" was the Church as it then stood. It is an ironic indicator of our sense of history that today's popular abridged version of Hugo's classic sits out this scene, suggesting that the popular reader's interest is confined to the beauty-and-best-soup opera themes of love and death.

Compare the proliferation of western Europe with that of Islam and China in 1500. In terms of technology, Islam and China were ahead of western Europe. China was using movable type at least 600 years before western Europe, paper long before that, and gunpowder when Marco Polo arrived several hundred years earlier. In 1652, Islam was superior in military engineering, architecture and agriculture and its forces had reached the ramparts of Madrid and the gates of Jerusalem.

But then the tables turned. Western Europe began a trajectory, dramatically outpacing China and the world of Islam at first in wealth creation and in political liberty. Why? Flexible institutions at governance conquered feudalism; new cities provided cradles for creative capacity. Newly liberated individ-

Essays on the MILLENNIUM

As he begins to question, to reason, to revise, to rethink and create, the scholar rises from the shadows of his past. He is a man of vision, social consciousness and political liberty. Today, we are faced with a parallel challenge: can we use the new tools of information technology to enhance and strengthen the synergy across the three corners of the same triangle? Modern China has chosen the first corner, wealth creation, but has dismissed the third—political liberty. Through its leadership, the Soviet Union may have narrowed political liberty, but has dismissed both wealth creation and social consciousness. Modern India may represent social consciousness, but also destruction of wealth creation and the denial of political liberty. And is it too risky or premature to speculate that the United States, with the largest potential through its superiority in communication and the global thirst for American culture, will advance wealth creation to the detriment of both social consciousness and political liberty?

How does a society find the appropriate balance of wealth creation, social consciousness and political liberty? How do we use the tools of information technology to strengthen all three corners of our triangle so that the triangle as a whole is more robust?

ACCESSIBILITY

The information highway should be as affordable and relevant to Canadians as the telephone and television are today, with almost 99 percent penetration rates. While private enterprise and the marketplace can go a large part of the way, inequalities or barriers to access will necessitate collaboration between the public and private sectors, or government intervention.

LEARNING

In the need to enhance learning as a lifelong process, and to use lifetime learning as a vehicle to develop the education of the future, we have taken several first steps in Canada. SchoNet, a federal government initiative, will connect every one of Canada's 16,600 schools and 3,600 public libraries to the Internet by mid-1998—distinguishing our country with the world's highest level of connectedness. A Community Access Program is providing public Internet access in 10,000 rural villages and concentrated urban areas in Canada. And a Special Communities program will provide broadband on-line local practices for concentrated communities, using information technology to increase the local economic, social and cultural potential.

Of course, connection to the Net is just one step. The next is to increase the students' computer ratio in classrooms so they can be used as regular tools. Again, a federal computer-recycling program has put 75,000 usable computers into schools, with a goal of 250,000 by 2006. But the crucial next step is to help teachers evolve from their role as content providers to teachers for a better and brighter future, agents in teaching critical thinking, and to get content on the carriage way that stimulates critical thinking.

INNOVATION

Innovation is key to wealth creation. We need to establish an environment where innovation can thrive, where change is not feared. Disruption to the traditionally monopolistic and regulated telecommunications industry requires legitimizing, as does the importation of ideas from the more dynamic computer hardware and software industries. Governments are being challenged to reinvent themselves, to become model users of the information highway and connect themselves to serve citizens more responsively and efficiently. They also need to understand how jobs are created and lost through knowe-

ledge. Studies show that industries with a more intensive use of information technology have been substantial job creators.

TRUST, PRIVACY AND SECURITY

With the greater intrusiveness of computerized modern communication comes new concerns about privacy and trust in electronic commerce. Civil law jurisdictions have long viewed individual privacy as a fundamental right. That has not been traditionally true in common law jurisdictions. In the past decade, legislation regulating the relationship between the individual and the state—providing a privacy protection with respect to government data—has emerged. Only now are we beginning to see a movement for new legislation protecting the individual against the corporation—privacy protection in the private sphere. While voluntary codes and good business practice have established sensible guidelines and protection mechanisms, there are plenty of businesses that are not prepared to play by those voluntary codes or who exploit their gaps. Trust is at the heart of how citizens dealing with electronic commerce, and dissuading many barriers to it. Trust is built with new tools to deal with consumer fraud, reliable payment or royalty collecting systems, authentic digital signatures, acceptable computerized records on government transactions or private dealings. All require careful attention to ensure that the form of law follows the function of modern electronic commerce, and the system safeguards confidence.

CONTENT

The Canadian Information Highway Advisory Council was set up in April, 1997, to advise on a national strategy. It had three objectives: jobs, Canadian cultural content and accessibility. We considered several alternate titles before settling on our first report: *Connections, Community, Content*. First, was *The Next Step*, with allusions to Pierre Berton's *The Last Spike*, signifying the importance of a transcontinental ribbon to connect Canadians. Another suggestion was, "It's the content,

not the form"—with the Canadian expression "it's" standing for electronic high-speed requirements necessary to give life and soul to the information highway.

There are unique challenges for Canadians to ensure a place for their stories, news and music, and a recognition of the French and other components of Canadian culture. This is a challenge we have lived with throughout our history. The preservation of the information highway gives us new agency.

HEALTH

With the Canadian health information networks, we recognize that how we use information about what makes people well, and how to provide better and faster information on illness and its cure helps and heals all Canadians. We think back to Luther's social and cultural revolution of accessibility, one which dramatically transformed the assumption of the church and the understanding of the word of God. Will his work and his desire for a better and stronger life of the condition of health bring together the role of doctors, nurses and other health-care professionals and hospitals and clinics? And will members of health in Canada's public system realize that their most important responsibility is managing information and putting it into the hands of individuals?

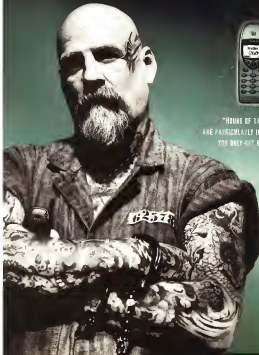
Change, choice, challenge? Their application is the information revolution conducted in secrecy with that observation of a statesman of our time: "Some people see things as they are, and wonder why. I dream of things that ought to be and ask, why not." In making that application we take heart from the words of a great student of the human condition in the face of change, anthropologist Margaret Mead, who said, "Never doubt the capacity of a small group of committed citizens to change the world. And it is the only thing that can." □

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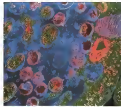


Dangerous liaisons

BY MARK NICHOLS

In the fall of 1980, Dana, a 34-year-old Vancouver nurse, began experiencing vaginal itching, which she attributed to a yeast infection. Then, abdominal pain set in (after several weeks, Dana [not her real name] heard a painful condition from her husband: doctors had told him he had urethritis caused by the chlamydia bacterium, which he probably picked up during a heterosexual sex with a woman he met in a bar. Physicians subsequently concluded that his wife, too, was infected with chlamydia and treated her with tetracycline, an antibiotic. A few months later, the symptoms came back and, after further, more aggressive treatment, came back again. For several years, repeated treatment failed to kill the bug and she lived with excruciating pain. Finally, five years after the onset of the disease, doctors removed her uterus and fallopian tubes. Dana blamed her husband, not so much for his sexual flag, but for failing to disclose his own symptoms soon enough for her to get early treatment. They now are separated. "Women need to know what unprotected sex can do," she says. "It can result in chlamydia and take away your reproductive ability."

Chlamydia is Canada's most prevalent bacterial sexually transmitted disease, and experts estimate that 10 per cent of sexually



Chlamydia bacteria, Flavoc (top): women face huge risks from common sexually transmitted diseases

active young Canadian women are infected by the bug. Now, better methods of detecting chlamydia and faster, single treatments are enabling doctors to wage a tougher battle against a disease that can have devastating consequences. In 1996, about 35,000 chlamydia cases in men and women were reported in Canada. But, says Dr. Don Swartzfeld, director of the STD bureau at Ottawa's Laboratory Centre for Disease Control, "the true number may be five times higher"—because so many victims do not know they have the disease.

What is worse, chlamydia is not the only sexually transmitted agent that can act as a time bomb with devastating consequences—especially for women. Some sub-

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HEALTH

types of the human papilloma virus are now known to play a significant role in causing cervical cancer. What chlamydia and HPV have in common, says Dr. Barbara Romanowski, an Edmonton specialist in sexually transmitted diseases, is that both are highly communicable and potentially dangerous diseases "in which victims may be unaware for years that they are infected."

In the case of chlamydia, an estimated 70 per cent of those infected may remain free of symptoms for years, while the disease can wreak havoc with their bodies. "A woman may have chlamydia for years and not find out about it until she decides to have a baby and finds she can't become pregnant," says Pearl Robertson, a microbiologist at the University of Alberta in Edmonton. An estimated 40 per cent of chlamydia infections result in pelvic inflammatory disease, a syndrome that can include endometriosis—chronic infection of the uterus—and infection of the fallopian tubes, the channels linking the ovaries and the uterus. As well, untreated chlamydia is blamed for about 70 per cent of all cases of total infertility—caused when scarring of the fallopian tubes prevents eggs from descending to the uterus—and for about 30 per cent of all ectopic pregnancies, in which a fetus develops in the fallopian tubes and dies.

For men, the consequences are usually less severe. Chlamydia can cause urethritis—an infection of the urethra, the penis's interior canal—and epididymitis, a painful swelling of the coiled tubes for sperm, which, if untreated, can lead to infertility. Up to 75 per cent of infected males may remain free of symptoms for years or decades, while passing the microbe on to their partners. In the past, men have tended to avoid chlamydia testing—privately, doctors say, because of the sexual-related smug involved. Now, a single urine test can detect chlamydia in both men and women.

For all of the suffering it brings, chlamydia is easy to cure in both sexes—if it is caught soon enough. In 95 per cent of cases, a single dose of the antibiotic azithromycin will kill the bug. But the drug cannot reverse any tissue damage that may have occurred. The best defence against chlamydia, condoms and diaphragms with spermicides.

Partly because of stepped-up screening by physicians and better treatment, reported cases of chlamydia have declined in the Canadian population. In 1996 the total fell to 115 for every 100,000 people from 168 per 100,000 seven years earlier. But the number of chlamydia infections among young people

remains high—in 1996, the latest year for which Health Canada figures are available, more than one per cent of all Canadian women between the ages of 15 and 24 were infected, and experts estimate that the real infection rate is 10 times higher.

HPV is the most widespread sexually transmitted viral infection in Canada, with 10 to 30 per cent of the population infected.

More precise statistics are not available because doctors are not required to report HPV cases to health authorities. Luckily, HPV usually results only in genital warts that often go away on their own, and occasional skin rashes. But concern about HPV has grown with evidence that several of the virus's subtypes are a major factor for cervical cancer. "Having HPV does not mean women are going to get cervical cancer," says Dr. Allan Cowan, a specialist in gynecological cancer at Toronto's Sunnybrook hospital.

"Only a small number of HPV infections—maybe about one per cent—will result in cancer."

Finding ways of preventing these cases is complicated by the fact that most people infected by HPV show no outward signs. And the subtle warts that can start decades to HPV infection appear in only about 30 per cent of infected women. Researchers currently are trying to develop reliable ways of identifying cancer-causing strains of the virus.

Using condoms and diaphragms with spermicides can help to prevent HPV infection. But according to Dr. David Parneck, a Vancouver STD expert, the only really effective defences against HPV are "limiting the number of sexual partners you have—or a abstaining from sex." As a further measure, says Dr. John Laimont, a Hamilton STD specialist, "the pressure it is to make sure that young, sexually active women have regular Pap smear tests" to detect early signs of cervical cancer.

Jill Weiss, head of the Vancouver-based Canadian PID Society, wants pressure exerted in another direction—towards better treatment and greater public awareness of the catastrophic damage chlamydia can do to women. "This is a preventable, curable disease," she says, "and it's entirely preventable." If it is treated soon enough, that is. In 1996 the Canadian Medical Association advised physicians to routinely test sexually active young patients, and those who have recently changed sexual partners. For Ottawa's Sullivan, making sure doctors and nurses "ask the right questions and test people who are at high risk" is key to controlling an often silent and potentially venereal disease. □



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Justice



Augustine at a logging protest in April; his mug shot (below). "This is an absolute shock."

An unlikely suspect

A native-rights leader faces a murder charge

On April 25, a defiant Noah Augustine stood before several hundred cheering natives on a provincial government woodlot north of Fredericton. The protesters had gathered to vent their outrage over a recent New Brunswick Court of Appeal ruling which stated that natives had no inherent right to log on Crown lands. "No court ruling will stop this movement," declared Augustine, a 37-year-old native businessman who had become one of the most vocal—and visible—opponents for natives in their increasingly bitter dispute with the New Brunswick government over who controls the province's forests. As native loggers pumped their chants in the air for the benefit of the assembled media, Augustine intoned: "Indian rights are not for sale or negotiation."

Fast forward to last week when a shockingly different public image emerged—that of a pale and drawn Augustine, dressed in a prisoner's orange jumpsuit, staring grimly into a Florida state sheriff's camera lens. A cut and bruise visible on his forehead. The mug shot was splashed all over New Brunswick newspapers and television newscasts following Augustine's arrest in Jacksonville, Fla., on a charge of murder. For some of Augustine's closest friends and associates, the two images were simply unrec-

ognizable. "Noah is a professional man, a graduate," said Tim Poul, a member of the Maliseet First Nations and a strong ally of Augustine during the logging protests. "This is an absolute shock."

Adding to the sense of disbelief were the circumstances under which Augustine was arrested along with Theresa Haddad, a 38-year-old community police officer from Augustine's home reserve of Red Bank, in southeastern New Brunswick. According to an RCMP document filed in U.S. District Court in Jacksonville, Augustine made a phone call on Sept. 25 from Jacksonville to Cpl. Ferra McLenn in the RCMP detachment in Sunny Brook, N.B. Within minutes, the Florida Highway Patrol arrested Augustine and Haddad in connection with the murder six days earlier of Bruce Burnaby, 41, of the Elt Ground reserve, 20 km from Red Bank.

The arrests dominated the news in New Brunswick, particularly after several media outlets received copies of a document filed in Florida court by the RCMP. That statement of particulars seeking the extradition of Augustine and Haddad, contained details of the RCMP's case against them. In a graphic illustration of the differences between U.S. and Canadian press coverage, the district attorney's office in Jacksonville readily released the document—against the wishes



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JUSTICE

of the RCMP—in reporters who asked for it. But the Canadian version proved when the two men appeared in court in Moncton, N.B., late last week so be ferociously charged with second-degree murder. When Augustine's lawyer, Gary Miller, complained that sensational media attention could "frustrate any accused's right to a fair trial," provincial court Judge Andrew Skirnest granted his request for a ban on publishing information that could be used in evidence.

North Augustine's new status as a murder suspect stands in sharp contrast to his previous commitment to good works. In response to a rash of suicides at New Brunswick's Big Cove reserve in the early 1980s, he trained as a counsellor and later held suicide prevention seminars for RCMP, corrections officials and native societies. Starting in 2004, he also conducted an extensive study into prescription drug abuse by natives, a particularly acute problem at the Red Bank reserve.

In the spring of 1987, Augustine founded his own firm, Great Earth Consulting Associates, which catered to native chiefs. But his life took a dramatic turn last October when New Brunswick Court of Queen's Bench Justice John Turnbull issued a stunning ruling, declaring that 18th-century treaties gave natives first right to Crown lands. Thousands of native loggers took to the woods to assert their rights. And when hard chiefs proved reluctant to speak to reporters about the logging dispute, the media-savvy Augustine eagerly filled the void.

Given to wearing hefty suits, Augustine seemed a cautious choice to speak on behalf of the rough-hewn loggers. But he proved a business worker who helped forge the Native Loggers Business Association, which at one point represented more than 200 independent loggers. Even after the New Brunswick Court of Appeal overturned Turnbull's ruling in April, Augustine remained at the forefront, urging natives to defy the government by continuing to log.

But Augustine's glory days were short-lived. To his chagrin, many New Brunswick native chiefs bypassed his protest and signed agreements with the province granting their lands the right to a limited cut on Crown lands. In late June, New Brunswick Natural Resources Minister Doug Tyler pointedly refused to take a question from Augustine at a news conference, then moved to end the briefing. Later, when he was told that if he wanted to see Tyler he would have to make an appointment, Augustine stormed out of the briefing and drove away. In the intervening months, Augustine dropped out of sight—and last week's dramatic developments placed him once again squarely in the spotlight.

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The other Leonardo

Victoria hosts a celebration of the Renaissance visionary

BY CHRIS WOOD

He was born illegitimately on Sat. April 15, 1452, to a light-skinned Tuscan official and a peasant girl in the village of Vinci. And Leonardo, known by his birthplace in the hills outside Florence, Italy, was the proverbial Saturday's child, working hard to make a living during his 67 years. For a succession of wealthy French and Italian patrons, he performed as a sword master, singer, engineer, draftsman and adviser as a military engineer—all the while overseeing a studio of apprentices who churned out a popular flow of portraits, sculptures and paintings on religious themes. But it is not his prodigious output that has kept Leonardo da Vinci's name alive. As an exhibition unveiled last week at the Royal British Columbia Museum in Victoria attests in stunning effect, the peasant boy from Vinci left a legacy of art, observation and invention that still rings even to the joined eyes of the late 20th century.

Leonardo da Vinci: Scientist, Inventor, Artist, which runs until Feb. 28 in its only Canadian stop, is a bold attempt to capture in four large rooms the full range—and sterling versatility—of the original Renaissance man. In addition to showcasing such enduring masterpieces as *The Last Supper* and *Mona Lisa*, da Vinci's fertile mind overlaid with invention (including the first studies of man and flight) and an insatiable curiosity, which led him to brave the loss of the day in order to study anatomy at its source by dissecting human cadavers. Unlike previous curators of da Vinci shows, who have focused mainly on either the artist's or inventive side of the great man, "we wanted," says Richard Overing, the art historian who helped assemble the exhibition, "to show the whole genius of Leonardo." To that end, he said curator Otto Lotar of Germany's Braunschweig Cultural Exchange—which adapted the show from one first mounted in Sweden in 1993—asmsembled 30 original 14th- and 15th-century art works (including two oils by Raphael, as well as pieces by da Vinci himself), dozens of manuscript reproductions of Leonardo's sketches, notebooks and anatomical drawings, and 89 life-sized, hand-drawn models of devices that he invented—a total of 230 pieces.

No, the *Mona Lisa* is not part of the exhibition. That is in place in what most surely be the next-best thing: a copy as perfect as that in the Louvre for three months in the early part of the century while the original was first repaired for damage—and then stolen for a time before being recovered in 1913. The copy—known as the *Gothenberg Mona Lisa*, after the Swedish town where it is currently housed—is so exact, says Overing, that even art experts cannot find a single difference. And it may actually be more satisfying than the original for viewing. Visitors to the Louvre must look at Leonardo's hand-drawn



The Virgin of the Rocks: a legacy of art and invention that continues to dazzle

from a distance and through bulletproof glass, but Victoria museumgoers may get as close as they like to the uncovered copy.

Other works displayed nearby are believed by art historians to be da Vinci's own. A terracotta bust, dedicated with the pines of age, shows an intimate portrait of the young Jesus caught in mid-breath, eyes closed and sensitive—almost feminine—lips parted. Across the room, a red-haired man reclines in a study for a larger sculpture—seems to capture a rider and his bucking horse in mid-frenzy from a yet another side of the artist is revealed in what, for many, may be the most startling artifact on display: a small sketch on paper that da Vinci drew

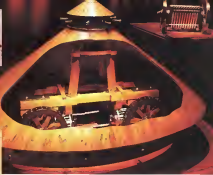
(Clockwise from above) design of a tank; model of a tank; East of Eden as a flying machine; startling modernity and inimitable creativity



in about 1514. *The Angel in the Flesh* possesses a steaming gun, four female heads—and a large, cruel penis.

The same gallery illustrates both da Vinci's influence on other artists of his era—and his superior talent. Hanging next to the *Gothenberg Mona Lisa*, for instance, is a second portrait that can be arguably clearly modeled on Leonardo's work. Painted some years later by Gian Giacomo Caprotti, da Vinci's longtime companion and reputed gay lover, *Mona Sinner* has the *Mona Lisa*'s smile and pose, but fewer clothes. Three different versions of a popular religious tableau of the day, *The Virgin of the Rocks*, share obvious elements: the Madonna adorning a garb with the infant Jesus and the Baptist at her feet, an angel to the side pointing at the child who will become Christ. But beside the technical depths and intensely personal faces of Leonardo's scenes, works by Bernini and Michelangelo and Baroque masters seem flat and dull, pedestrian representations of stock characters.

The show's appeal does not rest solely on its art, however. "My man," Leonardo once declared "is to construct machines which will enable whole worlds to be moved." Working from detailed sketches in Leonardo's notebooks, contemporary craftsmen have produced models made from wood and metal of more than two dozen of his most far-reaching inventions—including an early sketch of a helicopter and a one-man glider that, in the age of modern materials, might well be. Among other devices constructed by da Vinci and modeled in the oil



leather, a whirling automaton, a parachute and a rigid fire gun—which would not appear on battlefields until the U.S. Civil War, 300 years after Leonardo's death in 1519.

The last in one of many war machines that da Vinci devised for patrons and foes appeared over Avignon when he was known to buy birds at the market simply to set them free, Leonardo considered war "a heinous madness." But his genius and practical pastimes, locked in more or less permanent conflict with his neighbors, were eager to display his inventive genius to mankind at destruction. "He had great power of observation about his war machines after he invented them," notes Bill Barkley, the B.C. museum's chief executive officer. "He invented a submarine and buried it in his notes, because he began to speculate what that would do to create warlike."

Leonardo's notebooks had a fascination all their own. They record the impulses of his inquisitive mind—and the measure of life he built a millennium ago. Clearly observed studies of moving vines, trees, a horse's leg, share space with speculations on geometry or depictions of a storm breaking across a valley, all interspersed with scrawled notes. Leonardo's words are indelible to most people—because he was left-handed and did not want to sacrifice risk, or as a deterrent to pry on eyes.

The curators chose to show collector-quality depictions of Leonardo's notebooks and many sketches, rather than originals, because of cost considerations. Says Barkley: "When they begin looking at it, they realized that if they filled the exhibition with originals they'd never be able to travel it, because nobody could afford the insurance." As it is, the artifacts on display are insured for a hefty \$100 million.

The museum expects more than 300,000 people to visit Leonardo da Vinci: Scientist, Inventor, Artist. To capitalize on their interest, other Vancouverians have planned related events ranging from a menu of Renaissance-inspired dishes at the popular El Terrazzo eatery, to a new play, *Imagined Speculations: Imaginations from Leonardo*, which opens on Nov. 10 for a month-long run at the Belfry Theatre. Together with the exhibition proper, it all adds up to not only an impressive survey of Leonardo's multifaceted talent, but also a welcome welcome to a different era—a powerful glimpse of the heights of human striving. □

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" This holiday season I'm going to be sensible and organized.

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Television



The comic, graciously swapping the industry that made him a star

In his new show,
Rick Mercer
once again
plays it nasty

Show-no-mercy Mercer

BY BRIAN BEISGMAN

A revealing bit of trivia about Rick Mercer while he sat down last year on the children's television program *Daddy Day Afternoon*, he played the wheedling, manipulative Mommy, whom Mercer affectionately describes as "the only character on *Daddy* never to see the error of his ways." The 38-year-old Newfoundland-born, who has become a national figure thanks to his weekly appearances as a raucous reporter on *This Hour Has 22 Minutes*, readily acknowledges that he has a penchant for characters with a nasty, ruthless edge. In that regard, Mercer has hit a mother lode with his new CBC series, *Made in Canada*, which premieres this week (Monday, Oct. 3, 8:30 p.m.). Mercer plays Richard Strong, a struggling script reader who will stop at nothing—including dragging his boss—to further his career at Personal Productions, a fictional television and film company. "It's exciting to explore a character who has no conscience," Mercer told *Maclean's* between sips of seafood chowder at a Halifax restaurant. He sat it with a smile.

Mercer's *bonafides* for his latest role are only Strong—after all, he helped create it. Co-written by Mercer and Mark Farrell (who played one of the producers on *Ken*

Feldman's *The Nineteens* and is a staff writer on *22 Minutes*), the six-episode *Made in Canada* series satirizes the very industry that made Mercer a star. Nearly everyone on the show, from the lowliest secretary to the most powerful corporate executive, is shamelessly on the make. And Mercer sagittas he doesn't have to look too far afield for inspiration. "The industry is interesting in that it is filled with over-the-top characters," says the actor-writer, who now lives in Halifax, where both *22 Minutes* and *Made in Canada* are shot. "It encourages eccentricity and outrageous egos."

That the sharp-tongued comedian should hate the hand that feeds him is hardly surprising. When it comes to humor, Mercer shows no mercy. His targets include self-absorbed baby boomers, superficial journalists and pompous politicians on both the left and the right. So far, most of Mercer's spleen-venting has occurred in his two minute-travelers on each installment of *22 Minutes*, which began its sixth season this week. Shot in black and white as Mercer paces the gritty Halifax waterfront, gesturing towards the television camera, his rants capture the common man's rage over everything from the vicinity of banks ("I'd they could figure out a way to charge you for the gas that's chained to the counter, they'd do it") to the

farce of New Year's resolutions ("I'd will not stop drinking altogether, but I will explore light beer as a lunchtime beverage, at least for now"). A collection of these polemical monologues, published earlier this year in a slim volume called *Stronkers*, shot to near the top of best-seller lists—even though the book cost \$19.95 and could be read in less than an hour.

Despite his rebelling youth, Mercer has, in fact, been railing professionally for years. The third of four children raised in a middle-class home in Middle Cove, near St. John's, Nfld., Mercer admits to a certain harassment during his school years. He would join public speaking contests or run for student officer, not out of any abiding conviction, but "for the appeal of standing up in front of the school with a microphone and saying whatever you wanted." While still in high school, he co-headed a country troupe. Carry and Wade's Playhouse, and began playing gigs at the Langhorne's and the Protective Union Hall, an artists' union theatre space in St. John's. It was there that he first worked alongside future *22 Minutes* cohorts Mary Walsh and Cathy Jones, both veterans of the legendary *Comedy Company* group.

It was also during these early days that Mercer came to the notice of Gerald Lenz, then an Ottawa-based producer. Lenz, now

TELEVISION



Mercer (bottom right) and his 22 *Macleans* colleagues as the *Quintus Quintus*: wild riots and spleen-venting.

creative producer of *22 Macleans* and executive producer of *Macleans* in Canada, helped Mercer launch his first self-penned one-man play, *Shine Me the Bottom, I'll Polish It* (Or, *Charlie Lynch Shot Dad!*). The work was required, in part, by a column the veteran Ottawa journalist had written, blasting Newfoundland premier Clyde Wells' alleged last opposition to the Meech Lake accord. Lynch contended that if it came to a choice between Quebec and Canada's youngest province, it was no contest—the Newfoundland "winners" would have to go.

Mercer, then just 35, responded with his own brand of verbal, railing against the central Canadian critics for their dismissive attitude towards his home province. The play premiered in 1990 at Ottawa's National Arts Centre, with Lynch willing in the second row. The critics' critique? "Once again, a Newfoundland is telling the rest of Canada go for itself," Lynch told *Macleans* at the time. But he added that, even though Mercer has "made me the *Sakana* *Kakana* of Newfoundland," he's brilliant.

Mercer's next play, *I've Killed Before, I'll Kill Again*, was, if anything, an even darker comedy. Based on the premise of mistaken Canadian shooting in Newfoundland after a massive nuclear accident, Mercer cast himself as the province's inaugural worker at \$4.25 an hour. And because capital punishment has been declared for such crimes as bad taste and the composition of boring kids' songs, a host of cultural icons—from

Farley Movent to Sharon, Lana & Sharon, faced the gallows. "The real strength here," stated a 1992 *Toronto Star* review, "is the declaratory writing and its delivery in the maliciously driven persona of a almost psychotic street hustler."

So, what gives? Does Mercer have to get lost before he gets found? "I just feel that when people get angry, they often say the funniest things," he says with a shrug. "So that's where a lot of good comedy comes from. Sometimes, you just have to work yourself up into a bit of a lout."

But those who have observed Mercer over the years say his comedy seldom loses a genuine sense of outrage. "He's just as likely to rant at the dinner table as he is onstage," says St. John's actor and comedian Andy Jones, a founding member of Cadenza. But the outrage is tempered, adds Jones, by "a deep sense of fun, which makes it palatable." Mercer's playful side is most evident when he deals with politicians. Among the most notable Mercer on-sets on *22 Macs* are those in which he chewed down on Harvey's (fresh lines with Prime Minister Jean Chrétien, not bagged to a chair) listening to John Craxie read from his memoirs, or let Deborah Grey snatched from a chopstick when he was supposedly killing a cow with the Rehner. It's got to be an accident that these are all politicians Mercer professes to admire. He jokes Grey for her "ungracious witless, even if quite often her mouth is disconnected from her brain." Pil-

low Newfoundland leader Craxie is "boring and, I think, honest, which is essentially what gets him in crap all the time." As for Chrétien, he's a professional politician and sometime Bay Street lawyer who succeeds by "looking like the guy who shows up a lay-crashed state on your dinner."

A longtime political junkie, Mercer admits to what he now calls a "youthful indiscretion"—joining the NDP as a teenager. "I wanted to work in a political campaign," he says, "and went with them because, essentially, they'd take any one." His membership lapsed years ago and, since then, "I've never joined a political party or given any of them money."

That is about as self-critical as Mercer gets. He will not discuss his personal life except to acknowledge that his onstage existence is fairly sedentary. A voracious reader ("overbrowsing from decent literature to trash"), he also enjoys watching television. Mercer is especially fond of such

in-yer-face Washington political shows as *The McLaughlin Group*, where, as he puts it, "you have four rabid dogs on three yelling" about the news of the week—an apt enough description, come to think of it, of *22 Macleans*.

What Mercer is expansive about is his work—and right now his focus is squarely on *Macleans* in Canada. The new series—which also features Peter Kelogian, the award-winning anchor from *The Newsworld*, as *Pyramid Productions'* callow CEO—is a clear departure from the sketch comedy that has previously defined Mercer's career. And he seems to relish the change of pace. "I was disappointed to write something longer than two minutes," he says. In fact, Mercer plans to take a three-month sabbatical from *22 Macleans* after Christmas to write a new batch of *Macleans* sketches—although he insists he intends to return to *22 Macleans* for future seasons.

Having schooled as much as with an early age, what does Mercer plan to do as a second act? He claims to have no idea. His work, he says, has only marginal appeal because so few people go to see Canadian movies. "The great thing about a TV series is you make it and people watch," he notes. And though many Canadian comedians have made their mark in Hollywood, he is not eager to follow in their footsteps. Mercer's is a made-in-Canada success story—and he, for one, at least, is perfectly content to keep it that way. □

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Leone (left), *Slovak, a taster's dream about doomed romance and self-destructive passion*

Dirty old tragic man

LOLITA

Directed by Adrian Lyne

Lyne arrives with a great deal of baggage—a movie that is guilty until proven innocent. Controversy has delayed *Lolita's* North American release for more than a year. But it has played in Europe. And now that it has opened across the country, Canadians have a chance to see what all the fuss is about. The prospect of watching Adrian Lyne's coarse vision of an older man lusting after a 13-year-old "nymphet" arouses as justifiable dread. How could Lyne, the master of such gaudy eroticism as *Fatal Attraction*, *Jade*, *Indecent Proposal* and *9½ Weeks*, outdirect Stanley Kubrick, who made the original *Lolita* in 1962? And how could screenwriter Stephen Schiff, a journalist, improve upon the brilliance of that film, which novelist Vladimir Nabokov adapted from his own masterpiece?

Well, as it should be believed, and even harder to defend, but the new *Lolita* is a pretty good movie. Although it is disturbing and although Lyne cinders the screen with too much sensual gluttony, it is not exploitative. There are no graphic sex scenes. In fact, Lyne goes out of his way to be tasteful, almost to a fault. And in some respects, his *Lolita* is more faithful to the 1955 novel than Nabokov's own version, which was censored by the censoring strictures of the day.

The original film, shot in expensive black and white, still holds up beautifully. But it plays as dark comedy, or hilarious tragedy

Circle his characters from a clinical distance, Kubrick focused less on their passion than on its implications. The relationship between Humbert Humbert, the besotted professor, and Lolita, his stepdaughter, was staged as a mental duel, a showdown between European civilization and American broodiness. And in the void between James Mason's arched eyebrows and Sue Lyon's curving stare, Kubrick inscribed a healthy dialogue—and *Lolita's* manner—have a contemporary glow that often seems anachronistic. Also, in trying not to exploit his subject directly, Lyne relies on gimmicks to suggest her childlike sexuality—most of them old film tropes, devices including her take-out her dental restorer. Then there is Lolita sucking a straw with a milk mustache, Lolita sitting by the open bridge door at night, eating ice cream with raspberries stuck to her fingertips, Lolita in the car, slowly sucking on a paperback. Not to mention the lingering close-up of a cherry smudge on a nose. This is the Adrian Lyne of *9½ Weeks*, a director with a taste for lewd.

Directed by a somber scope by Ennio Morricone, the whole movie is bathed in a sugared light. But Lyne finally throws late out the window in the film's bloody climax. Humbert's son, John, is killed by his mother, who, in a horrific baptism of spiritual blood, suddenly, the director of *Fatal Attraction* has stepped in—as if Lyne, after holding himself back for the entire movie, finally lets go, doing with violence everything that he could not do with grace. It is not subtle, but a large bubble of blood erupting from Quilty's mouth crudely echoes Lolita blowing bubblegum.

Still, Lyne succeeds in conveying the moral complexity of Nabokov's novel. *Lolita* is not just a story of a lonely twisted man lusting after a child. It is about the thrill and the horror of any romance that now goes under the generic term of "misogynism." Lolita is the organizational field of erotic delusion. It is impossible to say who is seducing whom. And in Monica Lewinsky's America, the story of an older man risking the world for a girl with no future is especially harrowing. □

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Brian D. Johnson

Automotive Marketplace ONTARIO

Open versus Closed Leases

Dennis DesRosiers



What is the difference between an open-end and a closed-end lease? To explain this I would like to review the structure of a lease. There are five primary elements.

- 1 How much the vehicle costs — what the leasing industry calls the "capital cost."
- 2 The interest rate charged in the lease — what the leasing industry calls the Annual Percentage Rate (APR) or "Factor."
- 3 What the vehicle is forecast to be worth at the end of the lease — what the leasing industry calls the "residual value."
- 4 Additional charges for items like extended warranties, rust proofing, etc. Deductions for trade-ins or down payments.

A lease is essentially a loan that does not amortize to zero. The consumer only pays down the principle to the residual value. Let's work through an example of a typical lease. In this example the consumer has a three-year lease.

- the vehicle costs \$34,000;
- the interest rate is six per cent;
- and the residual value is 58 per cent or \$19,000.

The consumer pays \$500 per month off the principle of the lease (36 months x \$500/month equals \$18,000) plus interest of six per cent on the declining balance and at the end of the lease there is still \$18,000 owing on the vehicle. This lease has a lower monthly payment than a loan because with a loan the consumer would have to pay \$1,000 per month off the principle so that after 36 months the vehicle would be paid for completely. Thus leases have a lower monthly payment than loans. But I would remind consumers interest charges are always higher on a lease than a loan with the same APR. On the last payment of a lease in our example, the consumer pays interest of about \$70 on \$18,000. On the last payment of our loan the consumer pays interest of only about \$5 on \$1,000, therefore interest on a lease will always be higher than on a loan.

At the end of the lease somebody has to come up with the \$18,000 still owing on the vehicle. Ultimately the individual who pays that \$18,000 is the second owner of the vehicle or whoever buys the vehicle in the used car market. But what if the used car buyer will not pay \$18,000 and instead will only pay \$16,000? Then someone still owes \$2,000 for the vehicle. But who? With a closed-end lease it is the leasing company or the lessor who pays the original lender of the money the extra \$2,000 dollars owing. With an open-end lease it is the consumer or the lessee who pays the extra \$2,000.

So with a closed-end lease the lessor assumes what is known as the "residual value risk" whereas with an open-end lease the consumer assumes the residual value risk. Now what is the problem with that? The difficulty is that nobody can guarantee the value of a used vehicle two, three, four or five years into the future. Anybody who says they can a mis-

over to the used market. Two, three- and four-year-old minivans were in constant demand and as a consequence, their prices also were going up. Indeed a three-year-old minivan could fetch upwards of 75 per cent of its original selling price (MSRP). A \$25,000 minivan would sell for \$25,000 to \$28,000. With this high a residual value the monthly payments on loans were very low so even more consumers leased minivans. Today, only three or four years later, minivans are no longer the hot vehicle in the market although they are still popular. Sport utility vehicles are now hot. This is also true in the used vehicle market where sport utilities command premium prices and have displaced minivans as the hot used vehicle. Meanwhile, all those consumers who leased their minivans three or four years ago are trading them in at the end of their leases. The used vehicle market is literally swimming in minivans. With a soft demand and an excess supply, prices of

three- and four-year-old minivans have fallen to less than 60 per cent of the original MSRP. Our \$16,000 minivan is now worth only about \$32,000 to \$23,000 instead of \$25,000 to \$28,000 — a drop of \$2,000 to \$3,000 depending on the vehicle.

If these consumers signed open-end leases for their minivans, they will have had to pay the extra \$2,000 to \$3,000. If they had signed closed-end leases they would not have had to pay anything.

In my view that most consumers should not take this risk and therefore should not sign open-end leases. What are the exceptions? There are a few:

- Leases with a very low residual value and therefore very low risk
- Leases with a high upfront deposit—as long as this is reflected in a lower residual value
- Consumers who are going to drive their leased vehicle a lot (over 40,000

kilometres per year)

There are so hard and fast rules and to be honest, the number of open-end retail leases in the market over the last few years has been very low (under 15 per cent) because most consumers are smart enough to understand the risk. Over the last few years residual values have generally gone up so there has been little risk for both open-end and closed-end leases.

But two years ago residual values peaked and began to decline. This is likely to continue and to accelerate over the next three years. Used vehicle prices today are very volatile and some leasing companies now prefer to sell open-end leases thus forcing the consumer to take the risk and to deal with the volatility.

It is a very dangerous time for consumers to be signing open-end leases and except for the very sophisticated I would recommend signing only closed-end leases. ■

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Electronic Branding of Damaged Vehicles Protects Consumers

Until

recently Ontario was a dumping ground for wrecked and stolen vehicles later sold to unsuspecting consumers. That was because the province had no automobile branding policy – an electronic means of identifying vehicles that had been severely damaged and written off by insurance companies.

"While the government corrected the situation this July, it will still take a couple of years for this new branding process to work its way through the system," says Bob Piron, Chief Executive Officer of the Toronto Automobile Dealers Association.

Under the new Ontario policy all severely damaged vehicles written off by insurance companies must be reported to the province. The automobiles, through their vehicle identification numbers (VIN), are then electronically registered as either "irreparable" or "salvage." This brand registration will also appear on the vehicle registration when a used car is sold.

This means those vehicles can never be placed. Automobiles that have been branded as "irreparable," for example, can only be scrapped for their parts. Vehicles branded as "salvage" can eventually be sold, but only under a "rebuilt" designation that meets existing technical safety standards and inspections. Under the new system stolen vehicles will also be flagged.



Robert A. (Bob) Piron,
C.E.O. TADA

"In addition, there will be no incentive for the criminal element to purchase wrecks in order to obtain the VIN to put in to a similar-

style stolen vehicle. The practice of swapping VINs from wrecked vehicles to stolen automobiles was only feasible because the purchasers thought they were getting undamaged goods. The new regulation will go a long way to discouraging this illegal practice."

Piron says for many years, his association has been urging various Ontario governments to introduce this measure – similar to branding legislation in some other Canadian and U.S. jurisdictions. "We are extremely pleased that it is finally in place. Not only does it provide better protection to consumers, it also protects dealers."

"This had been a big problem for our industry. Since there was no way of checking if the used car being purchased had been wrecked or stolen, the dealer who may have purchased a salvaged vehicle and resold it, was financially responsible to the customer."



Piron says that even with the new legislation in place, consumers who are purchasing used cars must still be wary as it will take time for

the process to work its way through the system.

He suggests they check out all registration documents and the used vehicle information package.

"It is essential consumers take a hard look at the car and check that everything fits perfectly. If something is even slightly off, it is an indication the car has previously been involved in an accident."

Another man to check for is whether or not the vehicle has been recently rust-proofed. The black colored compound used for rust-proofing can hide a lot of sins, he says. It is also important to check the condition of the paint, the trim, chassis and tires.

"Finally, it is important to remember that the criminal element is extremely cunning. Despite the fact that branding occurs in most North American jurisdictions, criminals will still find a way around the system."



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To complement the eye to detail that any Mercedes product reflects, the C-Class series offers a range of options. The dress-up Elegance C230 comes with alloy wheels, burli walnut trim and other extras. A Sport package, which includes performance tires, sport-tuned suspension, monochromatic body trim, and a plethora of eye-catching details, is available with the C280 Sedan.



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Stranger than fiction

A writer turns autobiographical grist to gold

Does life imitate art, or the other way around? In her engrossing new novel, *A Recipe for Ben* (Knopf Canada, \$32.95), Gail Anderson-Dargatz writes about the evolving marriage of Karl and Augusta Olsen. After a lifetime of handsome farmhands near Nanaimo, B.C., the couple flies to Vancouver Island where they are celebrating their 40th anniversary. A series of flashbacks traces their marriage from its early troubled days to the relative tranquility of their later years. And despite the fading of local gossip, Karl always truths Jon, the product of Augusta's adulterous affair, as his own beloved daughter. The role models for Anderson-Dargatz's characters? Her parents. The fifth of five daughters, the author knew as a child she was different from her elder sisters. Once she reached her late teens, she finally confronted her mother's lies, and the older woman confirmed that Eric Anderson was not her biological father. But even though everyone else in her

little town of Salmon Arm, B.C., seemed to know the story, she also told her lie or fiction. "Did never make me feel anything other than I'm daughter," says Anderson-Dargatz.

The story doesn't end there. Nor does it end with her parents' 1981 divorce. Last year, the author showed each of them her manuscript for *A Recipe for Ben*. That prompted the former spouses to start talking again, and, just before Christmas, they, in effect, eloped. "They got married on the fly, because they knew that if my sisters and I heard about it beforehand, we'd want to throw them a big wedding," says Anderson-Dargatz. "Instead, they went as fast as the light."

Anderson-Dargatz—she and her husband, Floyd, combined their surnames when they married in 1990—has down on family lore before. In her 1996 debut, *The Cave for Death by Lightning*, many of the protagonists were actually her mother's, while the sense of being followed is drawn from other relatives being chased by bears. With-



Anderson-Dargatz: 'You do not have raised other men's children'

heard voice of the most compelling experiences because the men were more willing to open up to another man—some for the first time in their lives. She and Floyd were told many tales of loneliness, betrayal—and ingenuity. Despite the conventional wisdom that men are more likely to cheat, Anderson-Dargatz asserts that often in traditional farm communities it was the women who took lovers. "There are lots of men who have raised other men's children," she adds.

There is, however, one aspect of her second novel that Anderson-Dargatz acknowledges: It is *not* an autobiography. In *A Recipe for Ben*, Jon's husband, Gabe, a bookkeeper, suffers from a brain tumor and undergoes major surgery. Anderson-Dargatz drew on Floyd's own experience with that illness and subsequent surgery and stroke, which he suffered while she was writing her first novel. The success of *The Cave* enabled the couple to buy a small property north of Vancouver, and Floyd, who is nearly fully recovered, to take up bookkeeping. (Early in their marriage, Floyd had been a rancher and Anderson-Dargatz had worked at weekly newspapers.)

The author herself does not work with bears, but Floyd and others were generous in sharing their knowledge. In the novel, Augusta learns the ancient art of bookkeeping from her mother, Helen, and then passes it on to Gabe. And the lines themselves seem to take on different moods and personalities. "Bookkeeping really lets all five spouses," notes Anderson-Dargatz. "You smell the honey, the love is burning, and it's also so ordinary. It's a wonderful secret. You'd think it would be quite frightening, but it's quite calm. It's a very special thing."

Anderson-Dargatz will not divulge any details about the new novel she is working on. But it is difficult to imagine an author whose first two novels brim with love of the land and nature—and family—writing the supernatural—saying too wildly of course. She came by that love honestly, she says, growing up in the lush B.C. interior. "It's a very convoluted landscape, you can't see what your neighbors are doing, you really don't know what's going on around the next corner. That landscape leads to all kinds of beliefs in the paranormal." And her mother encouraged wild interpretations. "You hear people telling their kids not to displease My moon did the opposite, she said, 'No, displease.' "It turned out to be excellent advice for a future novelist.

BARBARA WICKENS

'That life beating'

A master's new stories brim with the big stuff

BY DIANNE TURKIDDE

The Love of a Good Woman
By Alice Munro
(McClelland & Stewart, 340 pages, \$32.95)

When Alice Munro was about 15, she witnessed an ordinary event that had a traumatically electric effect on her. One winter day in her home town of Wingham, Ont., she was looking out the window at her father who was unloading sacks of grain from a horse-drawn sleigh. The elements of the scene—softly falling snow, patient watchhounds, the best figure of the farmer, bits of grain scattered over mud and snow—might have stirred a poet. But for Munro, what she saw was neither picturesque nor symbolic. "I saw it as alive and potent, and it gave me something like a blow to the chest," she wrote in the introduction to her 1996 book *Selected Stories*. For her, the rain and horses were not forces in a timeless tableau; instead, they were "moving through a story which is hidden, and now, for a moment, carefully revealed. How can you get your finger on it, feel that life beating" in her latest collection, *The Love of a Good Woman*, the intricately revealed Munro explores the beating heart and our gnawing doubts of murderers, housewives, farmers, adulterers, dutiful doctors and too-so-called daughters.

The right stories, each at which has more heart and depth than most novels, center the same Munro territory mapped out in her previous nine books. There is the fictional town of Wingham, near the shores of Lake Huron where the author actually grew up and now lives, and the West Coast, where Munro, now 61, resided during her first marriage. The characters are as familiar as relatives or neighbors or colleagues—and as unpredictable. And while the skill of their ordinary lives is told in understated prose, the effect is anything but simple. In fact, reading a Munro tale, with its frequent shifts in tone and points of view, is a bit like visiting a wonderfully designed building: you are so absorbed by the feeling of being inside it that you don't think about its complex internal workings. And, of course, the stories, packed with everyday incidents and sudden seismic changes, are about the big stuff: love, sex, power, identity, memory and death.

Many of them are about the emotional

force of sexual love. In "The Children Stay," one of the most emotionally wrenching pieces in the book, a woman who abandons a compassionate husband and her two very young daughters for a lover inflicts on her precipitous decision. "So her life was falling forward," she was becoming one of those people who run away. A woman who shockingly and incomprehensibly gave everything up. For love, observers would say



Munro's seismic changes, the insistent force of sexual love

wryly. Meaning, for sex. None of this would happen if it weren't for sex. "The story's final paragraphs, which cut short to a conversation with the woman's grown children, pack a wallop that lingers any notion of ending marriage and underscore the significance of the title.

Most passion is coupled with murder in one way or another—the title story and "Corrie Island"—though they are told in very different ways. "The Love of a Good Woman" is a marvelous construction that begins with a red bull in a moment, then moves to three boys who discover a drowned man

trapped in his car underwater; and then to a sickroom where a nurse is looking after an unfeeling young mother who is dying. The nurse, a woman's woman at her late 30s who is known for her selflessness, discovers that she has a ruthless side. What she does with the shocking information her patient divulges is at once unsettling and deeply satisfying.

Death and violence also figure in "Corrie Island," but the dramatic events are long past. The narrator, a young bride trying to avoid her now considerably proper landlady, finds herself looking after the woman's invalid husband, a stroke victim who cannot speak. But through old newspaper clippings, he reveals a terrible secret to her about his and his wife's past, one that sheds a different light on their respectability. The knowledge somehow guarantees the young woman—she gets a job and feels more outgoing—while her landlady becomes increasingly unbalanced. The past, it seems, can be a dangerous place.

For the in "Save the Dancer" (trying to resist the past leads to a menacing situation. While dancing around with her grand children, looking for a place she used to visit with her mother, Eve eventually ends up in a horrible farmhouse with some drunken, vaguely threatening men. She manages to leave, but not before a violent girl—part hardened prostitute and part pathetic child—jumps into her departing vehicle. Later, Eve doesn't want her daughter—who was conceived during a three-day affair on a train—or her son-in-law to know too much about the loneliness at the farmhouse girl. "There are people who carry decency and optimism around with them, who seem to cleanse every atmosphere they settle in, and you can't tell such people things, it is too disruptive," the author writes. Eve feels that her whole life, with its reckless moments, was "futile to be seen in some sort of unceasing thrashing around, a radical mistake."

The nonfiction story, "My Mother's Dream" is the most unusual told through the eyes of an adult girl, it chronicles a real battle of wills between an unimpaired child and a frustrated aunt mother. Come at times, despite it, others, the tale suggests that it is better to get what you need rather than what you want. But with *The Love of a Good Woman*, Munro gives readers what they need and what they want: mystery, as in, recognition, escape and enthusiasm in short, superb fiction. □



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Allan Fotheringham

Why Canadian women don't trust men

There are many puzzling aspects of the human comedy. Many conditions that are both confusing and amusing, without which, one supposes, it would be a very dull world. Still and all, some things don't make sense. In Sweden, for example, four out of every 30 members of parliament are of the female persuasion. This would seem close to logical, of course, since those of that sex make up slightly more than 50 per cent of the world population.

But as we all know, it's an unusual state of affairs. The Scandinavian countries are notorious for being at vanguard in this matter—Denmark, Norway and Finland all have at least 30 per cent female legislators in their parliaments.

It's the rest of the world that is so retarded in this matter. It is the province, in women parlance around the globe, to refer to "developing" countries as opposed to those of us who are supposed to be "developed" and therefore well-formed, completely advanced and the masters of civilization.

Why is it, then, that South Africa has a higher percentage of females in its parliamentary system than does Canada, with all our high-ranking standard of living, educational standards and so on? Old Australia is ahead of us, and China barely behind the Canadian figure of just over 20 per cent females in Ottawa.

So what is "developed" as opposed to "developing," not to mention "underdeveloped"? It completely baffles a student of the human condition, especially when we consider what happened due other day in downtown Ontario, the nice town just outside Toronto.

There is court over 27 widely respectable (and very embarrassed) women of the community charged in the operation of illegal schemes. Charged with the 20-year-old role of former Durham region chairman, Jane Mayer and police services board boss Jim Wing. Not to mention her two daughters, aged 33 and 39.

In the dock were members of the local Family Action Council, including a former Clarendon school board trustee. Those innocent criminals were of the more teen age—late 50s, the 40s-brunch, some in their 30s—and well-off in bricks without a stain.

The alleged crimes were participating in pyramid schemes, those



as brain-draining plans where everyone somehow is going to get rich and no one can get hurt. In this case, Sgt. Jim Gendley quickly explained, the schemes used names such as Women Helping Women, Cookie Club and Business Women's Investment Club. Last but by no means an isolated case, it must be revealed that the daring sweep-up of well-to-do women has been just one of many in recent months, with squads of detectives fanned out across rural Ontario, scooping up bands of blue-eyed rascals gathered over the cleverly disguised bridge tables.

Drug dealers were arrested at our five-course dinner and bank vaults were raided from protection while the fast zoomed in on these details to society.

What we have here, you see, is a lurid plot against the male race. The Cookie Club, as with all the others, had one stipulation: no men. The rationale, it was explained to eager newcomers, was that the existence of the so-fall scheme could not be shared with hubby or boyfriend. No ticks, no warble.

At the base of the theory was the heinous belief that the girls—if left alone resisted from steering males—could be just as smart if not smarter than their arrogant masters. The penis, balking doctrines explained, is started by a "queen." Two "ladies-in-waiting" under her each enlist two more women who leads recruiting.

The queen invests nothing, but stands to collect \$40,000. When she dies, ladies-in-waiting become queens, two more queens form and the first queen forms another.

This is all gaudy nonsense, of course, but what is intriguing is that the Canadian female distrust (or fear?) of men feels the obvious physical good of it all. Businessmen, as we know, come home Friday night from a grueling five days at the office and then play four hours of golf as Saturday so as to get away from their wives. The Cookie Club girls were getting their own revenge—high finance so murder it had to be kept from the males.

So what is an "advanced" country? In the above-mentioned parliamentary ranking of Sweden, Cuba and Costa Rica are ahead of Israel and liberty/equality France. China and Mexico top Japan. The mighty United States is below Poland, Portugal, Hungary and Indonesia.

It's the wife of the former mayor and the lady from the actual board I worry about. The thought that the backbone of every community—the women who do the "good works"—felt that they had discovered a reprehensible delusio scheme hidden from those rotten men makes one want to sit down and ponder the stars.

The entire bank economy of Alaska, after consultations left, collapsed when almost the complete population fell for the old pyramid scam. Police tell us it takes up endlessly.

Women don't trust men. Especially with anxiety. What a surprise. This is Canada, the advanced country of 1998.

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